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**DEVELOPING A SKILLED WORKFORCE FOR A
COMPETITIVE ECONOMY: REAUTHORIZING THE
WORKFORCE INVESTMENT ACT**

**HEARING
OF THE
COMMITTEE ON HEALTH, EDUCATION,
LABOR, AND PENSIONS
UNITED STATES SENATE
ONE HUNDRED THIRTEENTH CONGRESS**

FIRST SESSION

ON

**EXAMINING DEVELOPING A SKILLED WORKFORCE FOR A COMPETITIVE
ECONOMY, FOCUSING ON REAUTHORIZING THE “WORKFORCE INVEST-
MENT ACT”**

JUNE 20, 2013

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(II)

CONTENTS

STATEMENTS

THURSDAY, JUNE 20, 2013

	Page
COMMITTEE MEMBERS	
Harkin, Hon. Tom, Chairman, Committee on Health, Education, Labor, and Pensions, opening statement	1
Isakson, Hon. Johnny, a U.S. Senator from the State of Georgia	2
Murray, Hon. Patty, a U.S. Senator from the State of Washington	5
Prepared statement	5
Alexander, Hon. Lamar, a U.S. Senator from the State of Tennessee, opening statement	7
Baldwin, Hon. Tammy, a U.S. Senator from the State of Wisconsin	33
Enzi, Hon. Michael B., a U.S. Senator from the State of Wyoming	35
Sanders, Hon. Bernard, a U.S. Senator from the State of Vermont	38
Franken, Hon. Al, a U.S. Senator from the State of Minnesota	40
Casey, Hon. Robert P., Jr., a U.S. Senator from the State of Pennsylvania	43
WITNESSES	
Mitchell, David L., Administrator, Iowa Vocational Rehabilitation Services, Des Moines, IA	8
Prepared statement	10
Partridge, Steven, President and CEO, Charlotte Works, Charlotte, NC	13
Prepared statement	15
Rosenberg, Alan N., Vice President, Chief of Staff and Chief Administrative Officer, Temple University Health System, Philadelphia, PA	17
Prepared statement	19
Smith, Beverly E., Assistant Commissioner and State Director for Adult Education, Office of Adult Education, Technical College System of Georgia, Atlanta, GA	21
Prepared statement	23
ADDITIONAL MATERIAL	
Statements, articles, publications, letters, etc.:	
Workforce Stakeholders Group Statement on Reforming Job Training Programs in America	47
Response by David Mitchell to questions of:	
Senator Murray	53
Senator Baldwin	54
Senator Whitehouse	54
Response by Steven Partridge to questions of:	
Senator Murray	55
Senator Baldwin	56
Senator Whitehouse	57
Response by Alan N. Rosenberg to questions of:	
Senator Murray	57
Senator Baldwin	59
Senator Whitehouse	59
Response by Beverly E. Smith to questions of:	
Senator Murray	60

IV

Page

Statements, articles, publications, letters, etc.—Continued

—Continued

Senator Baldwin	62
Senator Whitehouse	62

DEVELOPING A SKILLED WORKFORCE FOR A COMPETITIVE ECONOMY: REAUTHORIZING THE WORKFORCE INVESTMENT ACT

THURSDAY, JUNE 20, 2013

U.S. SENATE,
COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS,
Washington, DC.

The committee met, pursuant to notice, at 2:31 p.m. in room SD-430, Dirksen Senate Office Building, Hon. Tom Harkin, chairman of the committee, presiding.

Present: Senators Harkin, Murray, Sanders, Casey, Franken, Whitehouse, Baldwin, Murphy, Alexander, Enzi, and Isakson.

OPENING STATEMENT OF SENATOR HARKIN

The CHAIRMAN. The Health, Education, Labor, and Pensions committee will come to order.

Today's hearing will address a very important topic: how Federal policy can better support a skilled workforce through the reauthorization of the Workforce Investment Act.

I am pleased to be joined by Senator Isakson—I hope Senator Murray will come shortly—who has been a tireless champion of reauthorizing this bill. I know that Senator Isakson has been working closely with Senator Murray, as they had before, to find a path forward on reauthorization, a goal we all share. I want to thank Senator Isakson and his staff, and Senator Murray and her staff, for their hard work on this important bill. I look forward to continuing to work with them in the coming weeks as we consider this reauthorization.

I also want to publicly thank Senator Alexander for his partnership, with me and my staff, to update the Rehabilitation Act as a part of the committee's work on the Workforce Investment Act. We all share a commitment to helping individuals with disabilities achieve success in the labor market, and to improve outcomes for transition-age youth with disabilities.

While the country continues to recover from one of the worst recessions, we know that everyone has not recovered at the same rate. Workers without post-secondary education or training have a harder time finding work than their counterparts who have that experience, or a post-secondary credential.

Those without a high school diploma face the harsh reality of an unemployment rate of 11 percent, while the current unemployment rate for those with a college degree is 3.4 percent, which is far

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below the national stated rate of 7.6 percent. At the same time, the demand for post-secondary credentials is growing.

A Georgetown University report tells us the Nation will need 22 million new college degrees by 2018, but that we will fall short by 3 million post-secondary credentials, and 4.7 million post-secondary certificates. So it is clear that we need to work together to do all we can to help America's workers gain the skills they need to be successful in the labor market.

I might add, individuals with disabilities continue to face multiple barriers to employment. Of the over 15 million adults with disabilities of working age, less than one-third are working; two-thirds of adults with disabilities of working age are not working. And the number is even lower for individuals with significant disabilities.

We have to address this. And as we work on the reauthorization of the Rehabilitation Act in conjunction with the WIA reauthorization, we have sought to make changes to vocational rehabilitation that set high expectations for all people with disabilities; we strengthen VR's emphasis on competitive integrated employment; and we prioritize services for young people with disabilities as they enter the workforce for the first time through things like paid internships in private businesses while they are in school.

I would close by saying that most decisions about how best to meet our workforce needs should be made at the State and local levels. That is why as we modernize WIA, we must ensure flexibility for local workforce systems to tailor their services to specific local and regional needs, and also to adapt to future changes in the labor market. All the while ensuring that the most vulnerable get the services they need.

I look forward to hearing from our witnesses today about what works in the current system and what needs to be improved.

I will yield to my good friend from Georgia, Senator Isakson, for his opening statement and then I will keep the record open for Senator Alexander and Senator Murray.

Senator Isakson.

STATEMENT OF SENATOR ISAKSON

Senator ISAKSON. Chairman Harkin, thank you very much for your hearing today and your leadership on the Workforce Investment Act.

It was 15 years ago in 1998 that Congress first passed the WIA Act. A lot has happened in 15 years. Unfortunately, we have not reauthorized the WIA Act in 15 years. I am glad to see the encouraging signs from Chairman Harkin and Ranking Member Alexander, recently, of their commitment to bring a WIA bill to the floor in a bipartisan effort, and try and get it done this year. And I remain committed, along with Patty Murray, my former chairman, now Bob Casey, our chairman of the subcommittee, to see to it that that happens.

It appears to me that changes are desperately needed to be made to the current law. Governors and State workforce directors have told me they need Congress to streamline the flow of dollars from the Federal Government to their States, and to make the system

more flexible, so they can respond to dynamic changes demanded by employers.

Too often, I hear local workforce development leaders tell me, they see very little of the funding that is sent out from Washington make it down to their level because of the bureaucracy and the red tape. They are the ones at the frontlines of delivery and training, and yet, they still do not have enough funding for the job they need to do. That presents a clear problem for us.

All too often, I have had employers tell me they cannot find a trained worker for the jobs that they have open. At a time of high unemployment, it is remarkable to me that that is the case. Yet from my experience as a businessman, I know that technology and training are always demanded to make people current for the jobs of the 21st century, one of the reasons for our focus on Science, Technology, Engineering, and Math studies in our technical schools and our colleges.

As we continue to examine the current system and plot our course forward, it remains a priority of mine to find ways to hold the system more accountable and more efficient.

Employers and administrators of the systems have all told me they need better data on which to perform the system of the individuals being trained. Businesses can make hiring decisions and exercise more productive planning if they have a better understanding of what labor resources are available, and what types of levels of skills they have. With better data, administrators and those delivering services can receive a more comprehensive report card on the effectiveness of their programs, and identify the areas in need of improvement.

Ultimately, I would hope that any legislation considered by this committee in the future addresses the need to streamline the system, allows for more local control and flexibility, and provides for proper accountability and oversight of the Workforce Investment Act program.

I want to repeat my thanks to Chairman Murray of the subcommittee, to Chairman Harkin of the full committee, and to Ranking Member Alexander for their commitment to reauthorize, in a bipartisan fashion, the Workforce Investment Act.

Mr. Chairman, while I finish my remarks, one of the panelists today is a special friend of mine. Could I introduce her to begin with?

The CHAIRMAN. Please do so.

Senator ISAKSON. I have been in Congress for 15 years. I have been in the Senate for 9 years. I have never been able to introduce a neighbor, one of my daughter's best buddies, a friend and the election superintendent over the precinct that I am elected from, from the State of Georgia to come to the Senate.

Beverly Smith is a very, very talented lady. She worked in the private sector for 17 years. She and her husband have a small business themselves. But most importantly, as I said, she chairs the Cobb County Election Board. She served on the Cobb United Way, Northwest Georgia YWCA chose her as a Woman of the Year, and she has received the Distinguished HistoryMaker.com Award from the National African-American Historical Society. Beverly is an outstanding leader in our community, a friend to me and my fam-

ily, and a person who adds greatly to our State today, as the assistant commissioner of the Adult and Technical Education System in Georgia. Which, I want to add a little editorial comment if I can.

No Georgian lives more than 45 minutes away from a technical college in our State. Because of the Quick Start program developed in 1974 under then-Governor Busby, Georgia has a training program second to none for new and high technology industry coming into our State. Beverly, we commend you on what you are doing. I know you are going to add a lot of this testimony today, and I am very proud to be a citizen of your county as well.

Ms. SMITH. Thank you so much.

Senator ISAKSON. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Isakson. We will continue with our witness introductions.

First, I would like to introduce Mr. David Mitchell, the administrator for Iowa Vocational Rehabilitation Services. Mr. Mitchell has worked in rehabilitation services in central Iowa for nearly 20 years in both the public and private sectors. Serving as a community services administrator, rehabilitation consultant, branch manager, and vocational counselor.

He is a certified rehabilitation counselor through the Commission on Rehabilitation Counselor Certification. A member of the Iowa Rehabilitation Association, Mr. Mitchell is a past president, and is a current member of the National Rehabilitation Association.

Next, I would introduce Steve Partridge. Mr. Partridge is the president and CEO of Charlotte Works. In this role, he helped launch the successful transformation of Charlotte Works from a traditional workforce board into a demand-driven, economic development organization. Through collaborations with business, Government, and nonprofit leaders, Charlotte Works has developed innovative solutions to increase job market efficiency, provided local talent with the tools and resources to successfully gain employment, and worked with businesses to help create jobs in Charlotte and Mecklenburg County.

Prior to joining Charlotte Works, he held a variety of executive positions at the Charlotte Chamber, and the Arizona Department of Commerce.

Next is Mr. Alan Rosenberg, vice president and chief of staff and chief administrative officer for Temple University Health System in Philadelphia, PA. In that capacity, he is responsible for the operations and effective functioning of the executive leadership group, the management of assigned strategic initiatives, providing strategic direction and oversight for all communications initiatives, and external relations functions, as well as all human resources, facilities management, and real estate and planning services.

Prior to joining Temple's executive team in 2006, he held a variety of responsible leadership positions at the University of Pennsylvania Health System. He is also a member of the Philadelphia Works Board, which is the region's local workforce board.

We welcome you all here. I thank you for your participation in this very important hearing. And for all of the backgrounds that all of you bring to the table and your knowledge.

All of your statements will be made a part of the record in their entirety. We will start with Mr. Mitchell and work down. I would

like to ask if you could sum up your testimony in 5 to 7 minutes, and then we can engage you in some questions and answers.

Again, welcome, and Mr. Mitchell, we will start with you and please proceed. Would you hold just 1 second, Mr. Mitchell? I apologize.

I had recognized Senator Isakson, and I started moving along, but it has been Senator Isakson and Senator Murray together who have been working on this bill and bringing us along on it. And I wanted to recognize Senator Murray, who has been our lead on our side on the Workforce Investment Act for her opening statement.

STATEMENT OF SENATOR MURRAY

Senator MURRAY. Mr. Chairman, thank you, and I apologize for being late.

I want to thank you, and Senator Alexander, and Senator Isakson for your really important work on the Workforce Investment Act. I will submit my statement for the record, so you can move to your witnesses.

Let me say, it has been 15 years since we reauthorized this, and the world has changed dramatically. I think that the draft that we have put out—which I will include in my remarks into the record to describe it—is just that, a draft. We are asking for input at this point, but I think we have come a long way, and we are really recognizing the great work that is done in my State, and we have done some great work.

I think we have really put together something that recognizes the changes in the world and what we need to be doing to really help create the dynamic workforce that will create a strong economy in the future.

So I won't take up the committee time, and I apologize for being late. I would like to submit this for the record, and let all of our committee members know that it has been really great to work in a bipartisan manner with Senator Alexander and Senator Isakson on this, and I think we put forward a good draft, and look forward to moving it through the committee.

[The prepared statement of Senator Murray follows:]

PREPARED STATEMENT OF SENATOR MURRAY

Thank you, Mr. Chairman.

I want to express my gratitude to you and Ranking Member Alexander for holding this hearing today.

I want to thank you both for your efforts supporting the reauthorization of the Workforce Investment Act. Without your backing we wouldn't be here today. I especially want to thank two good friends from across the aisle—Senators Enzi and Isakson, for their years of steadfast, patient, and persistent leadership on this issue.

I have greatly enjoyed working with them, and have appreciated everything they've done to ensure that we are providing the education and training required by workers and employers to meet today's economic challenges.

Mr. Chairman, it's been 15 years since the Workforce Investment Act was last passed, and 10 years since it was due to be reauthorized. As we all know, much has changed in that time.

The Internet boom was driving the economy in the late 1990s. Then it went bust. Housing was booming in the late 1990s. Then it went bust. And as a country, we were also willing and able to make meaningful investments in our workforce development systems in the late 1990s. Now that's largely gone bust, too.

Much has changed since 1998—*except for the very law that:*

- Helps us respond to a changing economy; and
- Provides the framework for our Nation's workforce development system.

As a result, and not surprisingly, many have found cause to point out the shortcomings of our workforce systems. I'll also admit that the system needs modernizing and reforming. But let me also point out just a few of the system's many successes.

The latest results for the adult and dislocated worker programs under Title I of WIA for the four quarters ending December 31, 2012 show:

- 1,027,363 adults and dislocated workers were *placed in jobs* and earned more than *\$14.8 billion over just the first 6 months* of their employment—or just under \$30 billion on an annualized basis.

- In this same period, WIA funds expended on adult and dislocated worker programs equaled only about \$2 billion.

Let me say that again. An annual expenditure of \$2 billion yields a return of nearly \$30 billion.

During the recent recession, the workforce system saw increases of up to 250 percent in the number of clients it served, with relatively little increase in budgets. Yet the system—at a time when there were six or seven jobseekers for every job opening, consistently had job placement rates of 50 percent or better.

There are countless success stories from exceptionally innovative individuals and providers—we'll hear about a few today—that include:

- The development and expansion of sector strategies, which in Washington State cover industries such as aerospace, maritime, healthcare, finance, information technology, and gaming;
- The implementation of career pathway models, some of the best of which are in Madison, WI;
- The creation of the I-BEST program in my own State that has transformed the adult education system around the country; and
- The establishment of innovative programs to serve the long-term unemployed, led by Joe Carbone and The WorkPlace in Bridgeport, CT, and featured on 60 Minutes, just to name a few.

Mr. Chairman, I'm fortunate to have in my State one of the model workforce development systems in the country, so I get to brag quite a bit about the good work being done.

But the staff and board members of the system back home aren't shy about telling me where we need improvements and reforms—and I've listened carefully.

As a result, and in working closely with you, Senators Alexander, Enzi, and many others, Senator Isakson and I have recently released a discussion draft of a reauthorization bill that addresses countless recommendations gathered over the past 5 years.

Let me emphasize something here—what we've released is a *discussion draft*, not a final bill. We are seeking input and advice. But we knew that we had to start somewhere and get this process moving again. It's been far too long and we believe that the process needed a kick-start. And that's what we've done.

So what does our draft propose? Well, among other things, it responds to the 2011 GAO report by:

- Hearing the call to help consolidate State administrative structures by requiring a single State unified plan, instead of multiple plans from each State agency with a role in the workforce system. This will help ensure that all State agencies are rowing in the same direction and aiming for the same goals.
- Recognizing that workforce programs have not, in fact, been found to be ineffective, but that we lack the necessary data and analysis to know which programs work best, what makes them good, and how we can improve underperforming programs:
 - We have put forward a set of performance indicators for all the programs, helping to ensure collaboration and coordination.
 - We have tremendously increased our focus on improving data systems, assessments and evaluations, and returns-on-investment.
 - And we have put in place a systems measure to better understand how programs, providers and services currently interact, and how we can improve coordination, alignment, and outcomes.

We maintain the business majorities on the State and local boards while reducing the size of those boards. We move the system to be aligned with regional economic development and labor markets. We eliminate the sequence of services, and increase access to on-the-job training, incumbent worker training, and customized training.

In short, we have proposed tremendous improvements in the legislation and the system. But we are open to more suggestions. We welcome the coming dialog and look forward to finally moving this reauthorization to the finish line. Because Mr. Chairman, it's well past time to do so.

Our workers, our employers, our economy is in need of an improved workforce development system that meets today's needs—not those from 1998.

I look forward to today's hearing, to the testimony from our witnesses, and to the discussion that will follow.

Again, thank you for holding this hearing today.

The CHAIRMAN. Thank you, Senator Murray.

I recognize Senator Alexander.

OPENING STATEMENT OF SENATOR ALEXANDER

Senator ALEXANDER. This is a good example of the way we have been able to work with Senator Harkin this year. There have been a number of important issues that we have been able to work together on, and Senator Isakson has taken the lead for Republicans. He has done a terrific job building on Senator Enzi's work over the years. Senator Murray has been terrific to work with, and I thank

them for their work and for their draft. It is a great step forward, and I look forward to our having a bipartisan solution.

The CHAIRMAN. Absolutely. And thank you, again, Senator Alexander for you, and all your staff, working together with us.

Mr. Mitchell, again, your statement will be made a part of the record. Please proceed.

STATEMENT OF DAVID L. MITCHELL, ADMINISTRATOR, IOWA VOCATIONAL REHABILITATION SERVICES, DES MOINES, IA

Mr. MITCHELL. Thank you, Chairman Harkin, Ranking Member Alexander, and members of the HELP committee.

We appreciate this opportunity to talk a little bit about what is going on in the field of vocational rehabilitation and the initiatives that are occurring in the State of Iowa. On behalf of Governor Branstad and the State of Iowa, we appreciate the work that is being done on reauthorizing the Workforce Investment Act, including the Rehabilitation Act.

I work as an administrator of the State Vocational Rehabilitation Program, and in Iowa, that is part of the Iowa Department of Education. Our mission is to work for employment for people with disabilities. The focus is on integrated, competitive, community-based employment. We accomplish this through an individualized, person-centered approach that is provided through an eligibility process. Services are also provided with qualified staff that sees the ability in the disability.

Thanks to the Americans with Disabilities Act, the Individuals with Disabilities Education Act, youth with disabilities today have experienced lives of better opportunity and possibility.

The National Governors Association has the focal point of this year as a better bottom line employing people with disabilities. The Office of Disability and Employment Policy at the U.S. Department of Labor has provided the financial support and technical assistance, including assistance to Iowa to help develop employment initiatives to assist individuals with the most significant disabilities to achieve success in competitive employment.

State vocational rehabilitation agencies across the country have networked together forming a national employment team with a single point of contact across multiple States, partnering with our business customers to help them develop and implement strategies around recruitment of qualified workers with disabilities. These activities provide momentum to improve employment outcomes and increase labor market participation for individuals with disabilities.

There are exciting opportunities occurring across the country in vocational rehabilitation, and I am happy to share just three initiatives that we are working on in Iowa that we are excited about. These are related to transition, a dual customer approach, and a collaborative partnership.

Past discussions have included the importance of employment outcomes for youth with disabilities, something I believe is critical to our country. During the past 3 years, Iowa Vocational Rehabilitation has spent an average of 58 percent of our case service expenditures on transition students. This is primarily in the area of post-secondary training. Integrating a direct service model, there is an ongoing attempt to provide a seamless transition experience.

Key to this is a recognition that work experience, whether it is paid or nonpaid prior to graduation, equals employment as an adult. We also are bridging the gap between the individualized education plan and the individual plan of employment.

We have developed joint vocational rehabilitation in school district programs with shared funding to build capacity, to provide specific competency-based skilled training, building work skills, independent living skills, and social skills to help to find competitive employment.

We also have improved connections to business, providing opportunities to partner with our secondary and post-secondary education programs to better meet the workforce demands of the future. This is an example of our dual customer approach, an added individual value to not only our job candidates, but to business.

We are only effective in vocational rehabilitation if we are meeting the needs of those job candidates and our business partners. Companies across the country are coming together to share their stories of success in working with a diversified workforce, including people with disabilities. We can learn from these stories on how to better meet their needs as our business partners.

Iowa Vocational Rehabilitation is working to embed vocational rehabilitation staff in business and industry settings where we gain knowledge on career entry and career pathways that assist business, in not only recruiting a diversified workforce, but to maintain a qualified workforce, and problem solve at-risk employees who are eligible for vocational rehabilitation services.

We do not do this alone. We recognize resources and staff are limited, so we are finding ways to leverage those resources to provide work effectiveness and to be accountable, and to build capacity. Examples of those partnerships include self-employment programs working with our Iowa Department for the Blind, providing entrepreneurial opportunities, and an effort to work with the Veterans Administration Vocational Rehabilitation Program to provide access to service-connected disabilities. And with our Employment First efforts, we have partnered with eight State departments with a common vision of supporting competitive, community integrated employment.

The Skilled Iowa program is also an example of a public-private partnership and serves an example of how to work together with our partner agencies. Skilled Iowa is a way for businesses to find a skilled workforce and training is provided through the National Career Readiness Certificate, which is developed by the American College of Testing.

There is also an internship component to this program. This innovative approach helps businesses and individuals minimize risks and align incentives. The State of Iowa has appreciated the funding to support these types of initiatives.

I believe in the public vocational rehabilitation program, and know that it is a key for continued improvement and success in improving the employment results of people with disabilities. In Iowa, this is being done through innovative programming with our business partners, with occupational skills training that occurs at worksites in collaboration and partnering with transition projects,

with Skilled Iowa programs, and with our excellent community rehabilitation programs in the State.

Approaches need to include high expectations for employment, a belief in employment for all individuals with the necessary supports, and a recognition that work and job experiences at an early age equals employment as an adult. And there is a need for ongoing support and collaboration among all systems of labor exchange to focus on competitive employment in meeting the needs of our business partners.

Thank you, and I will look forward to questions.

[The prepared statement of Mr. Mitchell follows:]

PREPARED STATEMENT OF DAVID L. MITCHELL

Thank you Chairman Harkin, Ranking Member Alexander and members of the HELP Committee for the opportunity to share a few thoughts regarding the status and future of Vocational Rehabilitation. Thank you for the work you are doing to reauthorize the Workforce Investment Act, including the Vocational Rehabilitation Act. This legislation is critically important and impacts the services and employment outcomes for individuals with disabilities.

I have had wonderful opportunities during the past 30 years to work in the vocational rehabilitation field. Experiences have included working as a job placement specialist with a sheltered workshop/community rehabilitation provider, with a community college working with students with disabilities, as a rehabilitation counselor in the public State rehabilitation system, performing private rehabilitation work in the areas of worker compensation, long-term disability and contracting with veterans who have service connected disabilities, as well as management positions with a private, non-profit rehabilitation community provider, and for the past 13 years have been in management positions with the State rehabilitation program in Iowa, currently serving as the administrator of the State program.

Thanks to the Americans with Disabilities Act of 1990, and the Individuals with Disabilities Education Act (first passed in 1975), youth with disabilities today have experienced a life of opportunity and possibility. The National Governor's Association has their key focal point for this past year as, "A Better Bottom Line: Employing People with Disabilities." The Office of Disability and Employment Policy at the U.S. Department of Labor has provided financial support and technical assistance to the States, including Iowa, to help us develop employment initiatives designed to help young people with the most significant disabilities to achieve success in competitive employment while they are in school and after they leave school. State vocational rehabilitation agencies across the country have networked together forming a National Employment Team for a single point of contact across multiple States partnering with our business customers to help them develop and implement multi-state strategies around recruitment of workers with disabilities. The work on the reauthorization of the Vocational Rehabilitation Act within the Workforce Investment Act should leverage and carry the momentum of these activities and provide a framework to further expand employment for individuals with disabilities.

Employment and work is good for everyone, but especially for people with disabilities. Social networks are formed, quality of life contacts are initiated, economic gains occur both for the individual and for our economy, business needs are met through the hiring of qualified applicants, and there is a definite return on investment, both financially for the economy and for the individual. Studies have demonstrated health and life satisfaction improves through employment. Vocational Rehabilitation is good business.

Our mission is employment for individuals with disabilities. The focus is on competitive, integrated community-based employment settings. We do this through delivery of vocational rehabilitation services that are individualized, person-centered and provided through an eligibility process, not an entitlement program. We also provide these services with qualified staff that can bridge the gap between ability and disability.

I want to attempt to briefly discuss a few thoughts regarding the future of vocational rehabilitation, which I am quite excited about. There is increasing recognition of the importance of the work rehabilitation providers perform and the impact that work and the outcomes have on our economy, our service delivery system, the lives of the individuals with disabilities we work with and our business partners. The vis-

ability, the conversation and the attention provides an opportunity for us to make a positive difference. This is our time to continue the momentum.

Transition: I note that the bipartisan staff discussion draft that you circulated for the Vocational Rehabilitation Act title of WIA in 2011 and again earlier this week has a strong emphasis on improving outcomes for young people with disabilities, something that I believe is critical for our country. Despite numerous efforts, disincentives occur when an individual does not enter into the labor market and instead relies on public benefits. The early provision of service can help change the employment results for the positive, especially when the services are delivered while young people are still in school.

Iowa has several initiatives occurring which attempts to partner with our schools, community providers and businesses to change the cycle of results. During the last 3 years, Iowa Vocational Rehabilitation Services has spent an average of 58 percent of our case service expenditures on transition students. Primarily, this is in the area of post-secondary training. Integrating a direct service model, there has been an ongoing attempt to provide a seamless transition experience. We are not there yet. Keys to our effort is a recognition that work experiences (paid and non-paid) prior to graduation equals employment as an adult. Successful efforts have included: Bridging the gaps between the Individual Education Program (IEP) and the Individual Plan of Employment (IPE); Introducing self-determination strategies to improve student's accountability and ownership of planning activities; and improved connections to business that provide opportunities to partner with our secondary and post-secondary education programs to meet the workforce demands of the future.

Vocational Rehabilitation cannot do this alone. We can't be an island, but have to be an active, collaborative partner providing our expertise to leverage resources and build capacity. An example of success in this area is with our Transition Alliance Programs (TAP). This is a program where VR partners with the local school district and shares funding and staffing to provide specific work-based, competency-based skill training to build work skills, independent living skills and social competency skills for successful transition into competitive, integrated employment settings. It is an individual approach which complements the secondary academic programming with specific individual employment planning with a goal of competitive employment.

Dual customers: I also noted that your staff discussion draft has provisions designed to emphasize the importance of employers as a critical stakeholder for the public vocational rehabilitation program. We are only effective in vocational rehabilitation if we are meeting the needs of our job candidates and our business partners. It has to be a dual approach. Companies like Walgreens, Lowes, Microsoft, Hyatt and Marriott have seen the advantages and are sharing their stories and experiences so we can learn from them in better meeting their needs. Iowa VR is exploring opportunities to place vocational counselors in business and industry settings where business culture can be learned and shared. Knowledge will be gained on career entry and career pathways that will help the business in not only recruiting, but also maintaining a qualified workforce.

Work immersion: Employment experiences are the foundation of developing and implementing one's preferences, interests and skills. Community experiences cannot be replicated in the classroom or virtually. Successes are being demonstrated in programs such as Project Search, which involves direct, hands-on work rotations occurring at the business site over a 9-month time period. Iowa Vocational Rehabilitation has developed customized training opportunities that occur on the job site allowing increased numbers of individuals with disabilities access to meaningful work experiences that provide a work foundation. Iowa is developing these opportunities at an increased rate and seeing success.

Individual person-centered planning: Just as each business has a specific employment need they require or expect to be met, so does each individual job candidate. This places a crucial component on the ability to address a service delivery process that provides value to each individual served in meeting their individual choices and needs with a planning process that can include the supports and individual accountability to help them move forward. The individual, person-centered planning is essential to the vocational rehabilitation process.

Collaboration and partnering: Resources, both financial and staff capacity, are limited. We have to be able to leverage available resources and staff to provide work effectiveness, be accountable and to maximize limited staff capacities. Examples in Iowa include our work with the Veterans Vocational Rehabilitation Program and the Iowa Department for the Blind, where we operate a collaborative Self-Employment Program providing opportunities for entrepreneurs to build successful businesses. Iowa had 39 successful business startups in 2012. This also occurs with our Transi-

tion Alliance Programs and has been a key success with our Employment First efforts during the past 2 years, where eight key State department programs have come together with a common vision of supporting competitive, community-based integrated employment and meet regularly to discuss minimizing duplication and maximizing resources.

The Skilled Iowa Program is another example of collaboration and partnering between State agencies in Iowa. Fifty-six percent of the jobs are middle skill, but only 33 percent of Iowa's workforce fits into that category. Thirty-eight percent of Iowa's workforce is low-skill and are competing for 18 percent of the jobs in the State. Skilled Iowa is a way for employers to find a skilled workforce and be able to depend on a skilled workforce for the future. Training is provided through the National Career Readiness Certification Program, which will be implemented in all of Iowa's 348 high schools. We are assessing and teaching skills used in business. A focus is on a labor force that has proficiencies in applied mathematics, reading for content and locating information. Individual job candidates have free access to the National Career Readiness Certification Program. Community Colleges and Regent Schools have joined the Initiative. There is an effort to build this training into our unemployment and welfare programs to develop skills. Skilled Iowa also has an internship program that matches an unemployed person with an employer for up to 8 weeks of on-the-job training. The internships are unpaid, but the individual continues receiving their unemployment benefits as long as up to 24 hours a week are spent on training at the job along with 16 hours of weekly certification training. Our Iowa Workforce Centers are working with all individuals to promote skill development and employment opportunities and are partnering with the Iowa Department of Education and Iowa Vocational Rehabilitation Services to ensure all individuals are served.

Integrated, competitive employment: I noted that your staff discussion draft has a strong emphasis on the importance of high expectations and the promotion of competitive, integrated employment as the core mission of vocational rehabilitation. Our goals are to assist the business to hire the best qualified job candidate. As we present qualified job candidates who happen to have disabilities and begin developing a trusting partnership with our business customers, we will see expanded opportunities for individuals with disabilities to compete for available positions. This is not charity, it is business. Individuals with disabilities, just like all individuals, bring a unique set of experiences, interests and abilities to a job setting and present opportunities for an expanded, diverse work background. We need to increase the labor market participation rate for individuals with disabilities and demonstrate expanded employment opportunities. Concerns occur when select or targeted groups of individuals with certain types of disabilities are hired and segregated into special sections of a business and are grouped together in situations where they are treated differently from all other employees.

Imagine a situation where a small business owner operates a bookstore. The owner happens to have a back injury, the accountant has diabetes, and three sales clerks happen to have epilepsy, a learning disability and an amputated left leg. The coffee shop in the bookstore has an individual with a mental impairment, an individual in a wheelchair, an individual with an intellectual disability and one who has asthma. All individuals are performing with the necessary supports they need to meet the essential functions of their positions in a manner that fosters the mission and services of the business. Successful employment in integrated community settings does not depend upon a percentage of individuals, but on the purpose and working conditions of those individuals and earning commensurate wages for work performed in the competitive environment.

Informed choice: The importance of informed choice is central to the vocational rehabilitation process. This means an array of options is provided to the job candidate, along with the parameters of the vocational rehabilitation process, comparable benefits and services available in the community and vocational recommendations that can be supported to facilitate the employment journey. Vocational counseling with a thorough knowledge of the business and employment culture is an essential ingredient for success.

Discussion is occurring today on the role of sheltered workshops and the impact of informed choice options. Families, parents and job candidates desire and need a safe environment that provides growth opportunities. I believe in the role of a continuum of services. I have no doubt that current service delivery has shown success when community, integrated work opportunities are provided with the appropriate employment supports to meet the needs of the job candidate. Employment is a journey with forward and reverse steps. Problems occur when options like community employment work supports are not explored or provided or the setting is considered a final destination place.

Priority of Order of Selection: Employment results can be positively impacted by considering revisions of the Vocational Rehabilitation Order of Selection for States that have waiting lists. Individuals who require services while employed because they are at risk of losing their job can receive post-employment services if they had successfully received rehabilitation services leading to that employment outcome. These services provide a direct benefit to employment outcomes and retaining employment. As VR staff provide consultation and technical assistance to our business partners, other employees with disabilities are identified that are at risk of losing their employment unless appropriate intervention occurs. There is an urgency required to address these situations to meet the business need, potentially salvage the work situation and avoid having individuals lose employment and enter the adult service delivery system. By allowing service to individuals who would otherwise be eligible, but are at risk of losing their employment unless they receive vocational rehabilitation services, efficiencies to the business, the individual and to the service delivery system will be found.

The public vocational rehabilitation program is a key ingredient for continued improvement and success in employment for individuals with disabilities. This is seen through innovative programming occurring today with our business partners, with occupational skills training that occurs at work sites, with collaborative partnering occurring with our education partners at the secondary and post-secondary levels, and with partnering occurring in Iowa with our Skilled Iowa Initiative Program involving unique service partnering with our Workforce Development agency, Department of Education and Vocational Rehabilitation addressing the mid-skill gap businesses have identified as being a problem.

We continue to have opportunities today and tomorrow and the work you are doing and the legislation that is being drafted has tremendous possibilities based upon an individual, person-centered approach. This approach needs to include high expectations, employment for all with support and opportunity, a recognition that work and job experiences at an early age equals employment as an adult, and that there is a need for ongoing support and collaboration among all systems of labor exchange that focus on competitive, integrated, community employment.

Thank you for the opportunity to testify and I look forward to your questions.

The CHAIRMAN. Thank you very much, Mr. Mitchell.

Mr. Partridge, welcome and please proceed.

**STATEMENT OF STEVEN PARTRIDGE, PRESIDENT AND CEO,
CHARLOTTE WORKS, CHARLOTTE, NC**

Mr. PARTRIDGE. Chairman Harkin, Ranking Member Alexander, members of the committee, thank you for inviting me today to testify before you.

My name is Steve Partridge. I am the CEO of Charlotte Works, which is Charlotte's workforce development board. I come before you today to encourage your support for a bipartisan reauthorization of the Workforce Investment Act. Reauthorization of WIA is long overdue, and is needed to help close the critical skills gaps facing employers, workers, and our economy.

I am encouraged by the turnout we had today, and when asking a few people what brought them down today, a few people actually told me they thought there was a job fair here today.

I think that leads into my next statement which is: job creation continues to be the No. 1 issue facing many communities like Charlotte. And yet the data suggests, as Senator Isakson said earlier, many jobs are not getting filled because workers cannot be found. What is even more troubling is in North Carolina, where we have a lot of manufacturing, there is a lot of interest from European companies wanting to bring factories from overseas here, but they are concerned about the quality of our workforce. We cannot afford to lose these opportunities when millions of Americans remain out of work or underemployed.

Charlotte Works is part of a national network of over 550 local workforce boards with a mission to help jobseekers get quickly back to work. The types of services we offer vary from State to State, but usually include individual skill assessment, jobseeking workshops like resume writing, interview preparation, and how to use social media to get a job. We also provide one-on-one career coaching, and for many, training vouchers to up-fit their occupational skills.

Yet, my personal belief is the best offer we have for our jobseekers is to help with employers. Working more and more with employers like Siemens, ABB, Chiquita, and companies in Charlotte, we have gleaned important intel about what workers need to be successful. What type of training is necessary, what jobseekers need to know from a soft skills' standpoint. It is not always the hard skills that they need; it is the soft skills that make them successful.

Employers also value the one stop approach that we bring to them. No matter what an employer's hiring needs, we liaison with Federal, State, and local partners to ensure all those jobs get filled, whether they be with veterans, those with disabilities, or the long-term unemployed.

Yet even with our success in Charlotte, there are limitations to the current law, and modernization needs to occur. Some things I would like to throw out for your consideration is encouraging regionalism. Charlotte is a single county workforce system. So we have one workforce board for our county, yet most employees—and when employers are looking for the best trained workers, they look outside our county, which makes sense. You go where the talent is, so most workers will drive about 50 miles for a good paying job.

If you draw a circle around downtown Charlotte, that encompasses nine counties, which is seven workforce boards and two States. We need to do more to act like our clients do, and look regionally in looking for the best talent.

I also encourage more interagency data sharing. There are many Federal programs that touch our workforce system. Some, very successful; some, I could not comment on if they are a success or not because we have different metrics that we all look at.

I am also concerned about many of our veterans. When someone leaves active service, they often let the Department of Defense know where they are going, but that information does not make it to the local workforce board. We struggle to find out who the veterans are in our community and what services we can bring to bear, but our biggest obstacle is knowing they are there. More data needs to be exchanged between Federal agencies that touch the important clients.

Also, we need to connect the dots more between our adult, and dislocated, and youth programs. Too often I go to workforce board meetings around the country and youth is a separate track. We don't talk about our youth programs in the same sense that we do for our workers in today's workforce. Yet, those are the workers that are going to fill the skills gap that we are all talking about today.

Every time I offer jobs to people that are in the banking sector, or other jobs that they may have been displaced from, when I ask

if they would like to be welders, very few hands go up. That makes sense for many people that have invested 20, 30 years in a career; they may not want to make that switch. But if we are going to close the skills gap, we need to start doing more with our youth system. Workforce boards can be a great convener in a community with the K through 12 system, and need to play a more active role.

And finally, we need to focus on the critical sectors. Last year, we helped 8.4 million people with our system and put 4.6 million back to work. But how many were in the crucial areas that are most in demand? How many machinists, how many welders, how many IT professionals were those? We, as a system, need to start making strides in addressing our national problems in these issues.

The Act in front of you today needs to be updated and aligned with the post-recession and beyond market realities, and I urge you to realize the cost to jobseekers, employers, and the economy of not reauthorizing WIA. No one wins if we don't modernize, or worse, start from scratch.

Thank you, and I look forward to your questions.

[The prepared statement of Mr. Partridge follows:]

PREPARED STATEMENT OF STEVEN PARTRIDGE

Chairman Harkin, Ranking Member Alexander and members of the committee, thank you for the opportunity to testify before you today. My name is Steven Partridge and I am the CEO of Charlotte Works, the local workforce board in Mecklenburg County, NC. Previously, I served as the senior vice president of the Charlotte Chamber; prior to that, I was the assistant deputy director of the Arizona Department of Commerce, where I oversaw all statewide Workforce Investment Act (WIA) programs. In addition, I currently serve on the U.S. Conference of Mayors Workforce Development Council's Board of Trustees, which develops policy priorities in the area of workforce development for the Nation's mayors.

Job creation continues to be the No. 1 issue for many communities such as Charlotte, and so I come before you today to encourage support for a bi-partisan reauthorization of the Workforce Investment Act. Reauthorization of the WIA, which was passed in 1998 and originally due for reauthorization in 2003, is well-overdue and much-needed to help close the skills gap hurting America's employers, workers and our economy. I appreciate the many challenges facing Congress, and know the complicated history of past attempts to reauthorize the WIA.

Local workforce investment boards serve as important conveners for shaping and implementing local and regional workforce development strategies to grow local economies.

There are countless examples of successes; a few from my area include:

- **BAE Systems**, a global defense company that opened a shared services center in Charlotte. We helped promote the expansion of this new service center to a pool of qualified candidates, leading to impressive retention rates among those hired.

- **Marbach**, a small German manufacturer, was expanding its workforce and needed help finding and screening for key positions that would require candidates spending months in Germany learning how to operate its precision equipment. We provided that help.

- **Siemens Energy** worked with our team to develop a high-tech recruiting and screening tool to hire hundreds of new employees. The company needed a streamlined mechanism to advertise the opportunities; screen and test thousands of candidates; and interview, hire and train them as needed. Siemens' human resources team collaborated with Charlotte Works and Central Piedmont Community College to ensure they filled the positions when they needed them and with the best candidates.

The web portal we created for Siemens pre-screened 8,000 applicants using a series of questions that were developed by managers from the manufacturing floor about their experience and skills. Candidates then participated in the Career Readiness Certification (CRC) testing process that demonstrated achievement and a certain level of workplace employability skills in applied mathematics, locating information and reading for information. Approximately 80 percent of the candidates

earned the CRC and were invited to participate in two additional, more specific, testing processes prior to interviewing with Siemens.

The end result was not only that Siemens gained a better-qualified workforce, but also that those candidates earned a transferable career credential that made them more employable.

These are only a few examples of the hundreds of Charlotte businesses of all sizes and industries that have used WIA-funded tools including on-the-job training, skills certifications, customized recruiting events and services and more to ensure that jobs are created—and stay—in our Nation.

However, the search for talent is heating up. Prior to selecting a location for its newest office, a mid-sized insurance company recently approached Charlotte Works to inquire about conducting interviews of potential employees prior to deciding if they would expand to Charlotte. Over the course of a week, more than 50 interviews were held for jobs that did not yet exist. Within a few months of the interviews, Charlotte was selected for the expansion; the reason less to do with local incentives and everything to do with the depth and quality of our local workforce.

To showcase American talent, our local workforce boards must position themselves as the entry point into a vast national network of workforce resources that includes K-12, community colleges, universities and other federally funded workforce partners. Failing to do so puts America's competitiveness at risk and leaves us with a fragmented system that is difficult to understand and access.

Charlotte Works' success in helping WIA job-seekers can be attributed to the close relationships we maintain within our local business community. These relationships give us the local labor-market intelligence that job-seekers find extremely valuable. "Who's hiring, or is about to start hiring? How does the company screen out (or in) job applicants? What is the company culture like?" These are the types of questions job-seekers ask us every day. Hiring is done *locally*. Jobseekers receive training *locally*. Economic and community development happens *locally*. I believe workforce development must also happen *locally* and be governed *locally*.

I also believe that a successful workforce system must be built on a model with clear roles and responsibilities for both the State and localities, and that both should be led by businesses, who are the true local job creators. Business representatives are often my most insightful board members when it comes to identifying local employment trends and skills gaps.

Yet, despite the successes I've just shared with you, the current law governing the local workforce system is not without its limitations and need for modernization. Some ideas for your consideration include:

- **Encourage regionalism**—With more than 550 local workforce boards, our national system ignores the realities of local job markets and labor-shed areas. Most businesses, when looking to hire, understand that job-seekers are willing to drive up to 50 miles for a good job. We need to encourage consolidation and alignment where possible to ensure that both businesses and job-seekers receive consistent and seamless services.

- **Encourage inter-agency data-sharing**—A truly integrated system would also allow for data exchange between various Federal and State agencies. A case-in-point is the lack of information the workforce system receives on returning veterans. Prior to leaving the service, a soldier shares the location of the community to which he or she will be moving after separation. However, this information is not shared with local workforce boards. If it was, we could use our local resources and contacts to assist that veteran to quickly get back to work.

- **Connect the dots between the Adult/Dislocated and Youth Programs**—Many of today's most critical skills shortages are in areas that will not be quickly solved by offering re-training opportunities to today's workforce. Many older or experienced workers would rather continue to seek employment in their current sectors of employment rather than be re-skilled and start over. It is for this very reason that WIA must put a renewed focus on arming educators and students with localized job-growth information. Local workforce boards must work with industry to help create awareness campaigns and re-image industries that face skills shortages. I am disappointed with how often national and statewide meetings and conferences I attend ignore the critical connection between our Adult/Dislocated and Youth programs. Yet that is where we will solve America's long-term skills gap, and the workforce system should be where local solutions take shape.

- **Focus on critical sectors**—The skills shortages across our Nation tend to focus on a few key sectors such as advanced manufacturing, energy, healthcare and information technology. Yet the workforce system does not specifically hold itself accountable to addressing these shortages. All too often, local boards focus on only the demand side of the equation and train individuals in areas where job growth is occurring, yet they ignore the current market supply in the training decision. Training

hundreds of individuals in fields that already have an adequate supply of talent often leads to dim employment prospects for those who were just trained but lack adequate experience. Prioritizing training and a national campaign to address the very real skills need to be top priorities of any WIA reauthorization.

Over the past year, nearly 8.4 million people were served and more than 4.6 million people were placed in jobs thanks to our Nation's WIA system. The Act needs to be updated and aligned with post-recession, and beyond, job-market realities. I urge you to realize the cost to job-seekers, employers and the economy of *not* reauthorizing WIA. No one wins if we don't modernize, or worse, start from scratch.

Mr. Chairman, Ranking Member Alexander and members of the committee, I am hopeful that you have the will and courage to come together to find a bi-partisan solution to reauthorize the Workforce Investment Act.

Thank you.

The CHAIRMAN. Thank you very much, Mr. Partridge.
Mr. Rosenberg, please proceed.

**STATEMENT OF ALAN N. ROSENBERG, VICE PRESIDENT,
CHIEF OF STAFF AND CHIEF ADMINISTRATIVE OFFICER,
TEMPLE UNIVERSITY HEALTH SYSTEM, PHILADELPHIA, PA**

Mr. ROSENBERG. Good afternoon, Chairman Harkin, Ranking Member Alexander, and members of the committee.

I am Alan Rosenberg, vice president and chief administrator officer with Temple University Health System. Thank you for inviting me this afternoon to testify on the important topic of workforce development and the reauthorization of the Workforce Investment Act.

Given the Health System's successful partnering with recipients of WIA funding to build job skills for Temple Health employees and to strengthen the quality of southeastern Pennsylvania's healthcare workforce, the Health System supports WIA reauthorization.

The Temple Health System includes Temple University Hospital, which is the chief clinical teaching site for the Temple University School of Medicine. Located in the heart of the North Philadelphia, Temple University provides a comprehensive array of complex services for our medically complex neighborhoods, and serves as a provider of trauma and specialty care for the southeastern Pennsylvania region. We are an academic medical center with clinical and regional centers of excellence, but we also serve as the safety net provider in the Philadelphia region.

Temple Health also includes Fox Chase Cancer Center, 1 of 40 NCIA designated comprehensive cancer centers. Importantly, Temple Health also includes a network of community-based physicians, nurse practitioners, and physician assistants in almost 50 different sites.

Temple Health is a critical economic engine for southeastern Pennsylvania employing almost 8,500 people with good jobs, excellent benefits, and family sustaining wages. Not only does effective job training help meet our goal of providing quality, effective healthcare, but importantly, it helps build a strong community and local economy.

I would like to describe for you today our partnership with two organizations funded through WIA: Philadelphia Works, the local Workforce Investment Board on which I serve as a member of its board of directors, and the District 1199C Training and Investment Fund, a part of AFSCME, which represents over 1,200 employees in our organization.

The Training Fund is a labor-management partnership established in the mid-1970s with Temple University Hospital as a founding member.

Philadelphia Works, importantly with a new 5-year strategic plan, is focused on prioritizing employer needs in all of its investment training and is refining its service model to a more business service approach with the goal of delivering greater value for both employers and jobseekers, matching skills of the jobseekers with the needs of the employers.

By way of example, Temple Health is working with Philadelphia Works to obtain funding for our new Community Health Worker Initiative where we are using community-based lay workers to better connect patients with their caregivers. This program, funded by Temple Health, trained its first class of workers this past year, and through an OJT contract with Philadelphia Works, Temple received a 50 percent wage subsidy for 14 employees in the first class, and 15 employees in the second class. These are long-term unemployed individuals who will have good paying jobs with benefits in the area. We hope to expand this program in southeastern Pennsylvania as we work with the Corbett Administration to develop Pennsylvania's Healthcare Innovation Plan, which envisions the creation of community health teams.

Another example of our connection with the WIA and the workforce system is that Philadelphia Works in the past provided rapid response funding to support training and placement of individuals who were laid off as a result of closing or transformation of hospitals affiliated with Temple Health.

Temple Health has also invited the Training Fund to perform on-site training at its hospitals for several programs including a work-based behavioral health certificate that involves funding from outside groups, Robert Wood Johnson Foundation and the Hitachi Foundation.

Last year, Temple Health contributed over \$500,000 to the Training Fund to provide multiple levels of educational assistance for our employees and over 900 of our employees over the past 3 years participated in these programs. This leveraging of employee contributions with public and private funds, provides a strong platform for addressing the supply and demand side of the talent pool required by the healthcare industry.

Given the vulnerable nature of the low-income population served by Temple Health, programs such as the Training Fund and Philadelphia Works help us develop a more job-ready workforce, and it helps the Health System in its ability to recruit employees in a variety of hospital departments.

It is a two-way street. The Health System is committed to be a partner in the workforce system. We recently have agreed in a compact with Philadelphia Works as they have asked all of its board members to do, and we have agreed to place all of our job openings on the PA CareerLink system. We interview and hire candidates from the PA CareerLink system that matches posted job opportunities. These would include patient care assistants, and unit clerks, and the like.

We recruit from the CareerLink system for our training programs that include job placement such as the Community Health

Worker Program that I described earlier, and we are continuing to explore other pilot programs that will leverage the Philadelphia Works' ability to help us place individuals into employment.

As workers from the community become employed within the Temple Health System, the ongoing training helps incumbent workers to advance into higher level positions to create a stable career ladder.

As the Nation's health care industry continues to change with new technologies and movement toward nonhospital settings, which is a challenge that the health system and other hospitals and providers are dealing with, Temple Health will rely on our workforce development partners to help us refine our existing and develop new training programs to support our needs in this evolving industry.

Thank you for the opportunity to testify. I would be glad to answer questions as you move forward.

[The prepared statement of Mr. Rosenberg follows:]

PREPARED STATEMENT OF ALAN N. ROSENBERG

Good afternoon Chairman Harkin, Ranking Member Alexander, and members of the Committee on Health, Education, Labor, and Pensions. I am Alan Rosenberg, vice president, chief of staff, and chief administrative officer for the Temple University Health System. Thank you for inviting me to testify here today on the important topic of workforce development and the reauthorization of the Workforce Investment Act (WIA).

Given our success working in partnership with recipients of WIA funding to build job skills for Temple Health employees and to strengthen the quality of southeast Pennsylvania's healthcare workforce, the Temple University Health System supports WIA reauthorization. I will explain these partnerships more fully below. In the meantime, I provide some background information on the Temple University Health System (Temple Health).

Temple Health consists of Temple University Hospital, the chief clinical teaching site for Temple University School of Medicine. This 714-bed hospital includes our Episcopal Campus, which houses our behavioral health services and one of the busiest crisis response centers on the east coast. Temple University Hospital also includes the Northeast Hospital School of Nursing, our community-based RN program. Located in the heart of north Philadelphia, one of our Nation's most impoverished areas, Temple University Hospital provides a comprehensive array of services to our medically complex neighborhoods, and serve as provider for trauma and specialty care for the southeast Pennsylvania region.

Temple's family of hospitals also include Jeanes Hospital, a community hospital serving northeast Philadelphia, as well as the American Oncologic Hospital, the Institute for Cancer Research, and the Fox Chase Cancer Center Medical Group, which are collectively known as the Fox Chase Cancer Center. Temple Health also includes Temple Physicians Inc., our network of community-based physicians, nurse practitioners, and physician assistants in 48 practice sites.

Temple Health is a critical economic engine for Southeast Pennsylvania, providing about 8,300 people with good jobs, excellent benefits, and family sustaining wages. We take great pride in the quality of our employees and the programs we offer to help build their skills and advance their careers. Not only does effective job training help meet our goals of providing quality, efficient health care, but it helps build a strong community and local economy.

While Temple Health offers a broad range of professional development courses through our Human Resources Department and in cooperation with Temple University, my focus today is limited to those programs which receive funding through the WIA. In this regard, we work primarily in partnership with two organizations: Philadelphia Works, the local workforce investment board in which I serve as a member of its board of directors; and, the District 1199C Training and Investment Fund (the Training Fund), which is the training arm of District 1199C, an affiliate of the National Union of Hospital and Healthcare Employees, which represents about 1,200 of our employees.

Philadelphia Works connects employers with a skilled workforce while helping individuals develop the skills needed to thrive in the workplace. Under the direction

of its Board, Philadelphia Works is currently focused on prioritizing employer needs in all its training investments, and is refining its service model to a more business-services approach. It recently completed research on this topic with Temple University's Fox School of Business, and is working with our local Chamber of Commerce, the Philadelphia Commerce Department, small business, and other organizations with the goal of delivering greater value for both employers and jobseekers.

Temple Health is currently working in partnership with Philadelphia Works to obtain funding for our Community Health Worker initiative. This program, funded by Temple Health and developed in collaboration with the Temple University School of Allied Health Sciences, trained its first cohort of workers earlier this year. Through an on-the-job training contract with Philadelphia Works, Temple will receive a 50 percent wage subsidy for 15 employees covering their first 6 months of employment. We also have an understanding with Aria Health, Drexel University, Einstein Medical Center, and St. Christopher's Hospital for Children that they will each hire a Community Health Worker if a new on-the-job training contract can be negotiated. We hope to expand this program in southeast Pennsylvania as we work with Governor Corbett's administration to develop Pennsylvania's Healthcare Innovation Plan, which envisions the creation of Community Health Teams. These teams would use lay workers to connect high-cost patients with primary care, behavioral health, and other appropriate services to improve population health while reducing avoidable use of high cost health services.

In the past, Philadelphia Works provided Rapid Response funding to support training and placement of employees who were laid off as a result of the closing of hospitals affiliated with Temple Health: Neumann Medical Center and Northeastern Hospital. With respect to Neumann, the rapid response dollars were used to retrain and build skills for behavioral health workers who were re-employed at Temple University Hospital-Episcopal Campus. The Training Fund provided remedial and technical level course work approved by the city of Philadelphia's Community Behavioral Health agency that equated to 12 college credits. As a result, all except 2 out of 80 workers affected by Neumann's closure were re-hired at our Episcopal Campus. Similarly, with respect to Northeastern Hospital, about 152 employees were re-trained and placed in positions within the Temple family of hospitals or with other area employers.

Although Temple Health worked together with both Philadelphia Works and the Training Fund on the above initiatives, we also work directly with Training Fund on other initiatives. The Training Fund is a labor management partnership education trust fund established in 1974 with Temple University Hospital as a founding member. Its dual mission is to serve both the healthcare industry's need for a skilled workforce and workers' need for family sustaining careers with advancement opportunities. Last year, the Training Fund provided coursework and tuition support to more than 4,500 area residents, of which about 50 percent were union members, and about 50 percent were community members seeking employment and educational opportunities.

Employees of Temple Health, as well as employees of other contributing employers, use the Training Fund's Learning Center to obtain their GED, enhance technology skills, take pre-college and pre-nursing/allied health preparatory classes, obtain credentialed healthcare occupational training, and pursue college study. Temple Health has also invited the Training Fund to perform onsite training at its hospitals for several programs, including a work-based behavioral health certificate that involved funding from the Robert Wood Johnson Foundation and the Hitachi Foundation; an International Computer Driving License for clerical workers; and safety and health training for environmental services workers. We are also planning customer service training for patient relations employees during the summer.

Last year, Temple Health contributed about \$530,000 to the Training Fund to provide three levels of educational assistance to covered employees: (1) continuing education coursework at the Training Fund's Learning Center; (2) Tuition Assistance of up to \$5,000 annually for full-time employees and prorated for part-time employees; and, (3) full-time scholarship of up to \$10,000 to study a health-related profession for up to 2 years. Over the past 3 years, about 900 Temple Health employees participated in these programs.

We believe that our investment in the Training Fund provides a valuable return not only for our employees, but for the patients and communities we serve. We also believe that the leveraging of employer contributions with government and philanthropic funds provides a strong platform for addressing the supply and demand side of the talent pool required by the healthcare industry.

Given the very vulnerable nature of the low-income population served by Temple Health, programs such as the Training Fund and Philadelphia Works develop a more job-ready workforce. This helps in our efforts to recruit employees in a variety

of hospital departments, including Dietary, Environmental services, Behavioral Health, Pharmacy, Telemetry, Information Technology, Financial Counseling, Billing, Unit Clerk, Medical Records, and more.

As workers from the community become employed within the Temple Health System, the ongoing training helps incumbent workers to advance into higher level positions to create a stable career ladder. Furthermore, as the Nation's healthcare industry changes with new technologies and movement toward outpatient, primary care, and home-based settings, Temple Health will rely on our workforce development partners to help refine existing and develop new training programs that will support employer needs in an evolving healthcare industry.

Again, thank you for the opportunity to testify. I am happy to answer any questions you might have.

The CHAIRMAN. Thank you very much, Mr. Rosenberg.
Ms. Smith, welcome and please proceed.

STATEMENT OF BEVERLY E. SMITH, ASSISTANT COMMISSIONER AND STATE DIRECTOR FOR ADULT EDUCATION, OFFICE OF ADULT EDUCATION, TECHNICAL COLLEGE SYSTEM OF GEORGIA, ATLANTA, GA

Ms. SMITH. Thank you and thank you, Chairman Harkin, and HELP Committee, and thank you especially Senator Isakson for that introduction.

As a corporate manager for 18 years and a small business owner for 20, I never expected to work in the world of adult education. Fate put me there. I have to admit, it is not what I expected and what I have learned about the incredible numbers and the impact of this group of citizens on our economy is staggering. It is an economic imperative that we focus on what I consider low hanging fruit to our economic recovery.

I am here to address the importance of the Workforce Investment Act's reauthorization as it relates to adult education in creating workforce systems for a competitive economy.

Why does WIA matter? Let me first address the need. We have 31 million adults in this country who do not have a high school diploma or a GED. These citizens, our citizens, also don't fit into any one ethnic or minority group as some, me included, may have assumed. They are equitably all of us. Their chances of gaining a job with family sustaining incomes are limited.

While some have learning disabilities or handicaps of some sort, a majority of them are people to whom life happened. The breadwinner in the family lost their job during the recession and they left school to help get a job. They come from a family history of family members without an education and they don't value schooling, "We get along just fine, thank you." They see no need in staying in school past what they consider the basics. They had children at an early age and they dropped out. They worked in a factory, a mill, a plant, or an agriculture where you did not need to read and write to do well. But now, these businesses have closed, have gone overseas, or retooled with technology that requires a different set of skills that they don't have; they have been laid off or fired with no place else to go.

In other words, these dropouts are able-bodied Americans who could be more productive working folks earning a paycheck, infusing dollars into our economy, taking care of their families, staying out of the criminal justice system, all of that, if they just had the

resources to educate them and to put them on the right path with career and college readiness.

As WIA ties the education of these individuals to basic workforce skills development, there is no doubt in my mind that a full partnership between those of us who are expert in the education of adult citizens in the basics of reading, writing, and arithmetic—the three R's as they called it in my day—and those who identify and place themselves in the most efficient and effective way placing them in jobs as we describe in Georgia Adult Education Program, creating a workforce for Georgia and a future for families.

While the current Workforce Investment Act supports this partnership, the reauthorization effort that you undertake will provide an opportunity to strengthen that partnership without diminishing the role of any of its key stakeholders. Those stakeholders being the States' departments of labor, workforce investment boards, and State adult education systems that focus on the basics of skills development and the new three R's: revive, refocus, and retrain.

Let me share a picture of how a partnership with these stakeholders can work together. I am going to use Georgia as an example.

Georgia's Adult Education System is a part of the Technical College System of Georgia, TCSG. Our commissioner, Ron Jackson, always says that we are an equal part of Georgia's workforce education three-legged stool: adult education; our 25 technical colleges; and Quick Start, that Senator Isakson mentioned before, our world-renowned division that customizes workforce training free of charge to qualified businesses.

Commissioner Jackson also sits on the State Workforce Investment Board ensuring that adult education has an equal voice. Our adult education office is directly engaged with Georgia's Department of Labor to implement Accelerating Opportunity, an I-BEST program that takes adult education students and put them in college courses at the same time they are getting their GED. They get technical certificates and are work-ready by the time they finish school.

The fact that we are positioned to work in partnership with an equal voice is good news, but let me delve further into our situation in Georgia.

Even though we have that in place, we are still only able to train 70,000 of the 1.2 million adult citizens in Georgia who do not have a high school diploma or a GED. And in 36 of our 159 counties, 30 percent of the adult population lacks a high school diploma. Those are counties that will never have a new business or a job without a change in these statistics, and I think the same scenario plays out all across the country.

Recognizing the significant role that each stakeholder plays in ensuring an economic strength through a well-trained workforce, the opportunity is there for Adult Education, and DOL, and the local WIB's to work together for a better balance between adult education skills training that leads to job-specific skills training, that leads to industry and job growth. As I have indicated before in the numbers, the potential is there.

How can we improve WIA's reauthorization updates from our vantage point? First of all, adult education needs to be at the table

as an equal partner with the State and local Workforce Investment Boards. We need basic skills that must be addressed with adult education before these people can even participate in job skills training offered through DOL and the local WIB's.

Second, there is a need to ensure that the key workforce players are all held accountable for the same performance measures and rewarded equitably by their success on those measures. I am a firm believer in pay for performance accountability, and that has paid off for us in Georgia. We reward our top performers who meet our Federal targets, and work to support those who don't with an understanding that consequences can happen. However, unless my peers in workforce development are accountable for the same results and the same incentive dollars that are authorized by WIA, and they are equally distributed, then we have mutual accountability that does not exist.

Speaking of funding, I cannot tell you how important it is to continue States' maintenance of effort funding. A true partnership between State and Federal funding is critical.

In addition, the percentage of dollars we get for administration truly are funds that go to teacher professional development and education. While the vast majority of our moneys go to local programs, without these Federal dollars held as a part of our funding formula, we will not be able to maintain the training that teachers need to reach our country's goal, and to make sure that we have strong careers, and a college-ready workforce.

There is much more I would like to say, but I only have 5 minutes and I see it is up. The excitement about the potential that we have here is clear. Our country has to be ready for whatever is before us. Preparation through education is the key. The price of ignorance for us is too high to pay.

Thank you for this opportunity to testify and I look forward to your questions. Thank you.

[The prepared statement of Ms. Smith follows:]

PREPARED STATEMENT OF BEVERLY E. SMITH

As a corporate manager for 18 years and a small business owner for 20, I never expected to work in the world of adult education . . . fate put me here. I have to admit, it is not what I expected and what I learned about the incredible numbers and the impact this group of citizens has on our economy is staggering.

It is an economic imperative that we focus on what I consider "low hanging fruit" to our economic recovery.

I'm here to address the importance of the Workforce Investment Act's reauthorization as it relates to adult education's role in creating a skilled workforce for a competitive economy. Why does the reauthorization of the Workforce Investment Act matter, as relates to adult education in the United States?

Let me first address the need: We have 31 million adults in this country who do not have a high school diploma or GED. These citizens, our citizens, also don't fit into any one ethnic or minority group as some, me included, may have assumed. They are equitably all of us.

Their chances of gaining jobs with family sustaining incomes are limited; and while some are learning disabled or have a handicap of some sort, a majority of them are people to whom "life happened."

- The breadwinner in their family lost his or her job during our recession and they left school to get a job;
- They come from a history of family members without an education and they don't value schooling ("We get along just fine, thank you!"). They see no need to stay in school past what they considered "the basics";
- They had children at an early age and dropped out;

- They worked in a factory, mill, plant or in agriculture where you didn't need to read or write well to do the job. But now these businesses have closed, gone overseas or retooled with technology that requires a different set of skills that they don't have and have been laid-off or fired with no place else to go.

In other words, many of these drop-outs are able-bodied Americans who could be more productive working folks, earning a paycheck, infusing dollars into our economy, taking care of their families, staying out of the criminal justice system . . . all that . . . if we had the resources to educate them and put them on the path to a career or college readiness.

As WIA ties the education of these citizens to basic workforce skills development, there is no doubt in my mind that a full partnership between those of us who are expert in the education of our adult citizens in the basics of "reading, writing and "rithmetic" (the three "R's", as they called it in my day) and those who identify and place them in jobs is the most efficient and effective way of doing what we describe in Georgia's adult education program of "Creating a Workforce for Georgia and a Future for Families." While the current Workforce Investment Act supports that partnership, the reauthorization effort you will undertake provides an opportunity to strengthen that partnership without diminishing the role of any of its key stakeholders: those being our State departments of labor, workforce investment boards and State adult education systems that focus on basic education and skills development with the three "R's" of the new normal: revive, refocus and retrain!

Let me share a picture of how a partnership of the State's key workforce stakeholders can work . . . and I'll use Georgia as an example. Georgia's Adult Education Division is a part of the Technical College System of Georgia (TCSG) and, as our Commissioner Ron Jackson always says, we are an equal part of Georgia's workforce education three-legged stool: adult education, our 25 technical colleges and Quick Start, our world renowned division that customizes workforce training free-of-charge to qualified businesses. Commissioner Jackson also sits on the State Workforce Investment Board ensuring that adult education has a voice; and our adult education office is directly engaged with Georgia's Department of Labor to implement Accelerating Opportunity, which dually enrolls our adult education students in college courses allowing them to get their GED and technical certificates to be work-ready at the same time.

The fact that we are positioned to work in partnership with an equal voice is the good news, but let me delve further into our situation. Even with that in place, we were only able to serve 70,000 of the 1.2 million adults in Georgia who do not have a high school diploma or GED® credential and in 36 of our 159 counties, 30 percent or more of their adult population lack a high school education . . . counties that will never have new business or jobs without a change in these statistics. I think the same scenario is played out all across our country.

Recognizing the significant role that each stakeholder plays in ensuring greater economic strength through a well-trained workforce, the opportunity is there for Adult Education, DOL and local WIBs to strike a better balance between basic education skills training, that leads to job-specific skills training, that leads to industry and job growth. As I've indicated by the numbers . . . the potential is there.

How can an improvement in WIA's reauthorization updates help from our vantage point?

- Adult Education needs to be at the table as an equal partner with the State and local workforce investment boards. Acknowledging that there are a significant number of adults who are unemployed or underemployed or who can't even participate in training due to basics skill needs must be addressed by adult education before these folks can even participate in job skills training offered by DOL through our local WIBs.

- There is a need to ensure that the key workforce players are all held accountable for the same performance measures and rewarded equitably for success on those measures. I am a firm believer in pay-for-performance accountability and it has paid off in Georgia. We reward our top performers who met our Federal targets and work to support those who don't, with the understanding that consequences happen. However, unless my peers in workforce development are accountable for the same results and the incentive dollars authorized in WIA are equally distributed, that mutual accountability does not exist.

- Speaking of funding, I cannot tell you how important it is to continue States' maintenance of effort funding—a true partnership of State and Federal funding.

- In addition, the percentage of dollars we get for "administration" is truly funding that goes to teacher professional development and education. While we send a vast majority of our moneys to local programs, without these Federal dollars held at the State level and a part of our funding formula, we will not be able to maintain

the training that our teachers need to reach our country's goal of building a strong career and/or college-ready workforce.

There's so much more I'd like to say but my 5 minutes is up. My excitement about the potential of this population is clear. Our country has to be ready for whatever is before us . . . preparation through education is the key. The price of ignorance is too high.

The CHAIRMAN. Thank you very much, Ms. Smith, and thank you all for really excellent, excellent statements. Your written testimonies, which I went over last evening, are just very, very good.

We will start a round of 5-minute questions.

I want to start with you, Mr. Mitchell, and while WIA is a broad-based bill—I assume it comes as no surprise to you and probably my colleagues on the committee—that I would like to focus a little bit just on people with disabilities and getting them into the workforce. And how we are going to focus on kids in high school, and get our voc rehab system moving in a different direction than what it has in the past. I know you have a lot of experience in that area.

A lot of times I have been told that what I am trying to do is setting up some of these kids for failure because they won't be able to do integrated competitive employment, and that this would come as a harm to them. I just wonder if you have any views on that. I hear that a lot, but I just wondered if you have thought about that yourself.

Mr. MITCHELL. Thank you, Senator.

As I look back at my career, I have had plenty failures. And as I look at my three children, they have had failures. And I think what is a failure, is not to provide the opportunities to our youth that experience of community employment options.

We are finding today that our youth have higher expectations and that families have higher expectations. So if we can provide the supports necessary to build on those experiences, we can improve and impact the transition results.

I think our opportunity is to make sure we are providing an array of choices and to build on experiences so that our youth can have success.

The CHAIRMAN. I am glad to hear you say that because I have thought before that failure is just a part of life. I failed at some of the things I started early on in my life too, and I have often felt that kids with disabilities ought to be able to, in high school, to try different things. A kid with a disability might think he or she wants to do something, and then they find out maybe that is not quite what they want to do; maybe there is something else. You mentioned briefly in your testimony about internships.

Could you expand a little bit more about how important internships are for these kids?

Mr. MITCHELL. I just had a recent experience about this where last fall, we met with our Great Plains Regional ADA Center, and they talked about the importance of how we bring along young people into public policy and in development.

And through some joint collaboration, there are some moneys that came available to develop an internship with Disability Rights Iowa, our Iowa Department of Human Rights. We have a young gentleman in there now who is doing an internship. He is a graduate of a local Iowa high school, has a postgraduate degree in political science, and he hadn't worked. Now, he is getting an oppor-

tunity, through this internship, to develop skills, to look at interests, to look at his preferences to build a network, and he is a dynamic, young man. He is going to do some great things. But he needs some opportunities to build on those experiences and to learn what he wants to do.

So I think in that example, he just spent the last week with us at Vocational Rehabilitation getting exposed to what we do and how it impacts public policy work, and I think he is going to come away from that with lots of ideas to bring it back to his internship.

We also see young students—sophomore, junior, senior year—where we know that if they are getting opportunities to get out into the community and experience opportunities, they are going to learn what they like, what they don't like. They are also going to learn some social skills, and what it is like to get to work on time, and to get back from break on time, and to follow directions. And you need those experiences to be able to build those skills, and you can get that through those internships.

The CHAIRMAN. Excellent.

Mr. Partridge, you have, obviously, a very successful operation.

Can you tell us what are you doing? And what does Charlotte Works and your partners do to make sure that people with disabilities benefit from the excellent services that you provide?

Mr. PARTRIDGE. Part of the challenge, I think, with any workforce program is getting in front of the employer. We also spend a lot of time with the jobseeker and we often have one or two people that might be out working with the employers. And to understand what their needs are, and then educate them about how to work with those with disabilities or to your earlier point, how to offer internships.

Both are difficult because employers have their head down. They are lean operations. They don't have a lot of time. They are looking for the best fit in that job and they usually look through a very focused lens, and so, having the opportunity to educate them on what is out there.

So we started with our voc rehab to talk about how we reach out to employers together.

The CHAIRMAN. Tell me more about how you work with voc rehab on this because that is one of the things we are looking at here.

Mr. PARTRIDGE. We have a representative on our board that represents them, and we meet probably monthly to talk about our employer services, which is how we reach out jointly because we all have different metrics. They have people reaching out to employers, sometimes the same employers we are touching. If we can work together and have a shared data base in this context, we can expand our net even larger.

Part of it is making sure the technology is in place, making sure we have a line of dialog open to set the ground rule. Because when you are in the business development world, no one likes to share their contact because they are afraid you are going to jeopardize that relationship.

If I have a relationship with Bank of America, I do not want to hand that over. But if we put some common metrics in place that I am now going to get credit for placing those with disabilities when my job was not that originally, now everyone wins.

The CHAIRMAN. Very good. Thank you both. My time is up, Senator Alexander.

Senator ALEXANDER. I would like to defer to Senator Isakson, if I may, Mr. Chairman.

The CHAIRMAN. Yes, sir.

Senator Isakson.

Senator ISAKSON. Thank you, Senator Alexander.

Ms. Smith, great testimony. In fact, I wish we could frame that definition of those 31 million that you read off because it was—

Ms. SMITH. Thank you.

Senator ISAKSON [continuing]. A perfect description of the challenge that we have in this country of a less than qualified and educated workforce. You talked about your pay for performance and your strong support of pay for performance.

Ms. SMITH. Right.

Senator ISAKSON. How has Georgia used that to effectively improve the programs in Workforce Investment?

Ms. SMITH. That is a good question, thank you, Senator Isakson.

We have certain measures, as you all are probably aware from the Federal Government from OVAE, Office of Vocational and Adult Education, that we have to meet certain standards and levels of completion. So we have to get students from one grade level to the next.

We work with—and I will tie that to how we work with the Workforce Investment Boards. If we work together in partnership and we get our students, and some of our students do come from the Workforce Investment Boards, some come from learning-disabled citizens in terms of working together with them. We still have that same goal in mind for them. We try and we have transition coordinators.

One of the things we have done in Georgia is to put transition coordinators in all of our local programs. So if they have not been able to see past where they are at the moment, and that is sometimes the problem we have with a student who does not have a GED or a high school diploma, who has a learning disability, they might not be able to see past where they are because they don't necessarily have an example of that. So their world is rather small.

In addition to making sure that we move them to levels of completion, and improve their levels in reading, writing, and arithmetic, we also do truly spend time on that refocus, revive, retrain portion of it. Making sure that they can refocus themselves and see themselves differently, and make sure they understand that there are things that are out there for them.

We try to work with those transition counselors to motivate them to do other things, at the same time we are trying to educate them in fields.

For example, if you take a low-skilled worker who really could work in the restaurant industry, or could work in the welding industry. Having classes, and we do this with Accelerating Opportunity, where the language we talk in the class, the math, for example, or the English, are in terms of skill or a field. So they can begin to relate their learning to what they can do with that learning once they get past the grade level that they are in.

And that truly makes for us to have a partnership with the Workforce Investment Boards because as they try to place people in jobs skills training, we try to contextualize their learning that they get in adult education so they begin to understand and speak the language. So that they can see people in other professions who are doing well, who are in the spot that they were in.

Adult education is not just the training in terms of the classroom. It is also training to try and expand who they see they are, so that they can learn that they can go beyond the step that they are at. With that motivation, they really begin to move from level to level in terms of completions of education so that they can move forward to do something else.

Senator ISAKSON. Thank you very much.

Mr. Mitchell, going to the Chairman's question on disabilities, you talk about the seamless transition from the individual education plan to the individual plan for employment, if I remember correctly.

Would you talk about how you address that?

Mr. MITCHELL. We actually have a process in Iowa that we call our Collaborative Transition Protocol, and it is an effort where we have gone in and done joint training in our school districts with VR staff and our special education staff to talk about common terminology and common data.

So that when we look at eligibility and functional limitations that are in the individual education plan, we can move that forward and look at eligibility for vocational rehabilitation services. And then be able to build on the student's learning preferences, interests, and be able to provide that as a more seamless transition process.

It has involved quite a bit of communication at the local school district level with joint training between VR staff and teachers within the school system, so we have common language and we have common outcomes. And then with that, we are able to look at, for the students that are going on into post-secondary training, the supports that they need and being able to identify that earlier so we can have them in place before the student gets there.

Senator ISAKSON. Thank you very much.

Real quickly, Mr. Partridge, and congratulations on Charlotte Works; it is a great program. I was interested in your focus on regionalism. Mecklenburg County is the home county of Charlotte.

Is that right?

Mr. PARTRIDGE. Correct.

Senator ISAKSON. But it is an MSA of nine counties.

Mr. PARTRIDGE. Approximately, yes.

Senator ISAKSON. So you have seven Workforce Investment Boards in nine county metropolitan areas.

Is that right?

Mr. PARTRIDGE. Correct, it then goes down to Rock Hill, SC as well.

Senator ISAKSON. Is that one of the areas we need to modernize, the WIA Act?

Mr. PARTRIDGE. I think so. I think there needs to be much more encouraging of boards working together. I mean, we will never let a business who is not in our area be left holding the bag. We are

going to work with other workforce boards, whether you require it or not.

But I think there are a lot of inefficiencies that happen because we are not working as closely as we could. So I would like to see more modernization of that.

Senator ISAKSON. It was a great comment because having been a chamber president of a Chamber in a large metropolitan statistical area, they all compete with each other. Everybody wants people to move to Atlanta, but they want them to move to your hometown in Atlanta or your home county in Atlanta.

Mr. PARTRIDGE. Right.

Senator ISAKSON. When really, we ought to be competing as a unified group learning the same thing applies in terms of workforce investment. I thought that was an excellent suggestion. Thank you.

Mr. PARTRIDGE. Thank you.

Senator ISAKSON. Thank you, Mr. Chairman.

The CHAIRMAN. Senator Murray.

Senator MURRAY. Thank you very much, Mr. Chairman, and thank you to all of our witnesses. We certainly appreciate all of you making the effort to be here today and discuss this.

I wanted to start off with you, Mr. Partridge. By many accounts, you run one of the best workforce systems in the country, and you have a very successful partnership with Siemens and your local community colleges. I understand you are closely aligned with your region's economic development plans and strategies.

I heard that you recently announced that you will house the representatives of the German Government—

Mr. PARTRIDGE. Correct.

Senator MURRAY [continuing]. As part of your effort to bring German companies to Charlotte.

Correct?

Mr. PARTRIDGE. Correct.

Senator MURRAY. I really take that as a testament to the workforce board's ability to look across and operate in partnership with a wide variety of organizations to create a very strong, flexible workforce system. So I wanted to ask you a broad question.

What in current law has been beneficial to your success? What has been a challenge and, perhaps, how we can improve the law?

Mr. PARTRIDGE. I will start with the challenge. Often when businesses come to us, they identify need where there is a shortage and we quickly want to act on it. But currently in the level of service delivery, the ITA process is very slow getting people excited about going into certain careers quickly, because that is consumer choice. So it often has to convince people to go in.

I would like the ability to allow more group training, working with our community colleges to offer whether it is melding en masse or other programs that are identified that we could work in partnership with them to get the word out and to get people together as a cohort going through. I think that is one of the areas where we could use the most improvement on.

Opportunity-wise, I think the fact that we are business-led has been a very boon for us. I mean, my business folks have more metrics than the Federal Government when it comes to what they

hold us accountable for. And they push us all the time. In fact, they are back there voting on our next year metrics right now.

I think having a business-led board and having the right businesses at the table have been critical to our success. Having the Siemens's, the Chiquita's, and others are really driving the jobs in Charlotte.

Senator MURRAY. OK. Very good.

Mr. Rosenberg, you have also had some significant success working with and within the workforce development system. So I will ask you the same question.

What in the current law has been beneficial to your success? What has been a challenge, and how can we improve the law?

Mr. ROSENBERG. I think the success is being at the table. The success is being part of a collaborative process where there are businesses, and there are the educational leaders, and the workforce leaders. It means we do not have to replicate this ourselves for at least a certain level of workers that we are going to recruit. That is the model and that is what is good about it.

I would emphasize that there have been changes in Philadelphia Works, really, to revise the strategic plan; to really focus on businesses, and the need, and the matching of what the job holders need and the jobs that we have to place them in. So that is the real benefit.

It is an efficient place to have these conversations especially in a place like Philadelphia with a number of academic medical centers, a number of us are at the table, and we can collaborate, and be efficient in how we do it.

The challenges are the things that you have heard already in terms of the documentation requirements can be onerous, and it can be time-consuming. So anything that can be changed to make the process more flexible, to speed up the process. To give us more discretion in defining what is training. All of those things would be helpful, just this idea of building in additional flexibility.

Understanding it has to be a transparent process and understanding as a board member, I understand being held accountable to the public dollars that are there. But still, there is a balance between the flexibility and the transparency that would be helpful.

Senator MURRAY. OK. Very good.

I have a minute left, but I wanted to ask you, Miss Smith. Your adult education system has been one of the many State systems around the country that has taken some dramatically different approaches to serving adult students.

You point out that you are only able to serve 70,000 of the 1.2 million adults in Georgia who do not have a high school diploma or GED.

Ms. SMITH. Right.

Senator MURRAY. Do you know how many students are currently on the waiting list in your State?

Ms. SMITH. We do. To be honest with you, we have students who are on the waiting list, but we also have students that we need to serve that we are just not able to reach because we don't have the adequate funding to reach them. I think that is probably one of our biggest issues in terms of trying to reach out to them.

We do have waiting lists in our programs, but we try to do what we can to fill those quickly. The problem with an adult ed student is if they have to wait, they are liable not to come back.

Senator MURRAY. Right.

Ms. SMITH. So we try to make every concerted effort not to do that, to keep our enrollment numbers up.

If we have a program, for example, that finds that they can outreach and they have a good number of students they want to serve, we try and see if we can find some funding to help them do that or move some classes around, try to add additional classes where we can, add some online learning. And that is the issue.

When you finally get to the point where you decide you want to go back, and take control of your life, we have a goal to make sure that they don't have to wait long to do that because I am afraid if they do, we might lose them.

We make every effort possible to keep the waiting list down as low as possible to fit them into some transition coordination program. If they have to wait for another class to start, then we will start having some of the transition coordinators, who are like counselors, work with them to try and work on the work skills side in terms of thinking, of planning, understanding what they can do, and so on, rather than just have them wait.

So we do have them, but we truly try to minimize those.

Senator MURRAY. Thank you. Thank you very much.

The CHAIRMAN. Thank you very much, Senator Murray. I am going to recognize Senator Alexander, then in order of appearance after that would be Senator Baldwin, Senator Enzi, Senator Casey, Senator Sanders, Senator Franken, Senator Murphy, and Senator Whitehouse.

Senator Alexander.

Senator ALEXANDER. Thanks, Mr. Chairman. Thanks to all of you for being here.

Ms. Smith.

Ms. SMITH. Yes.

Senator ALEXANDER. And all of you, we are debating the immigration bill this week and next week, and one of the results may be that there are a large number of people who will be required to be proficient in English in order to get a green card or get citizenship, even if we don't pass the immigration bill, that is true.

Ms. SMITH. Correct.

Senator ALEXANDER. So I am wondering, Ms. Smith, to what extent do you deal with people who are on their way to citizenship who need help learning English? Do they come into your adult education programs?

Ms. SMITH. Oh, absolutely. We have a large number of students coming in for ESL. As a matter of fact, because Georgia has such diversity, the languages that they are coming for vary quite a bit. We do a lot of work with them.

Our ESL programs are very proficient. We have some excellent teachers with them, but we do try to reach out to them to make sure that we reach that population.

It is in almost every area of Georgia we have ESL programs. Metropolitan Atlanta does, obviously, but the areas in south Georgia and north Georgia also have a need for that kind of education.

We actually have right now a special push on with our ESL teachers. We are putting them through some special programs for their training.

Senator ALEXANDER. These are for adults.

Ms. SMITH. These are for adults.

Senator ALEXANDER. We are talking about adult education.

Ms. SMITH. Absolutely. Absolutely.

Senator ALEXANDER. People learning English.

Ms. SMITH. Exactly. Who need it and it is amazing in terms of the number and types of people. Some of the people come in have master's degrees, have doctorates. They are working in the country legally, but they need to make sure they learn the language.

They are citizens who are coming with companies. For example, a Kia plant has just moved to Georgia. When the Kia workers come in, they are bringing family members. The family members have a need to speak English so they can get employment. So the range and the types of people that come in for training is—

Senator ALEXANDER. What kind of programs do you have? Describe to me. If I showed up and said, "I am on my way to becoming a citizen. I want to become proficient in English." Into what do I enroll?

Ms. SMITH. You enroll into a regular adult education class, but the levels are a bit different. We still do skills testing to see what level they are in terms of how far they have to go.

Senator ALEXANDER. You could take me only for the purpose of learning English?

Ms. SMITH. Absolutely.

Senator ALEXANDER. Is that right?

Ms. SMITH. Absolutely.

Senator ALEXANDER. If I show up and say, "All I want from you is I want to learn English." You can do that.

Do I pay for that?

Ms. SMITH. Oh, no. All programs for adult education in Georgia are free.

Senator ALEXANDER. Is there any way to estimate how long this takes? I guess it depends on where you start.

Ms. SMITH. It does. It depends on where they start, what level of proficiency they have. But their goal is to learn English.

We also have citizenship classes that are a part of the adult education classes.

Senator ALEXANDER. And is that citizenship in preparation for the test you take to become a citizen?

Ms. SMITH. Absolutely. As a matter of fact, we spend a good bit of time recognizing the programs. We started a new program where we are recognizing and honoring this pay for performance piece that I talked about. Those programs that are able to help citizens, help these students get to citizenship quicker. We actually have an award that we give for those who are able to work and get these students through, and to make sure we move them through as soon as possible.

Senator ALEXANDER. How is this funded? Through what program is this funded? Is this through the WIA Act or is it through some adult education account?

Ms. SMITH. It is through our Federal funding that we receive.

Senator ALEXANDER. Federal funding for adult education?

Ms. SMITH. For adult education.

Senator ALEXANDER. For adult education.

Ms. SMITH. Right.

Senator ALEXANDER. Do you have more demand for learning English than you can meet? Or are you able to help most of the students who come in? I am just talking about learning English now.

Ms. SMITH. We have a pretty large demand. And because we do try to reach out, we try to get as many different grants as we can, but the population in a part of our State is quite large. In other parts with new immigration laws, it has kind of dwindled and the demand is not as large as it used to be.

Senator ALEXANDER. But if we were to have as one of our objectives in an immigration law, that we wanted to help those who wanted to learn English, to do that.

Ms. SMITH. Right.

Senator ALEXANDER. What would be the most efficient way for us to help? Would it be to increase funding for adult education programs for that specific purpose or would it be some other way?

Ms. SMITH. Absolutely. Because we do have specific funding that is for adult education for ESL and for EL Civics—

Senator ALEXANDER. So, that would just go straight into the State adult education account.

Ms. SMITH. Exactly.

Senator ALEXANDER. And then that account would be distributed by the State according to what it estimated the needs were in different parts of this.

Ms. SMITH. Absolutely. We do an RFP process every year, and so our programs will, when they submit the grant moneys that they want for the upcoming year, give us an estimation in EL and EL Civics, because those are two separate pots from the adult education pots, but all adult education, to let us know what the demand is. We try to base our funding based on what we have, so that we can serve that need.

Senator ALEXANDER. I am out of time almost, but does anyone else have a comment on that line of questioning?

Mr. Rosenberg.

Mr. ROSENBERG. I would only point out that literacy and the soft skills that were discussed before are absolutely a key aspect of having a strong workforce. And having that educational process be part of what comes through Philadelphia Works and the other groups is critical, and is of critical value to an employer like Temple Health.

Senator ALEXANDER. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Alexander.

Senator Baldwin.

STATEMENT OF SENATOR BALDWIN

Senator BALDWIN. Thank you, Mr. Chairman.

I very much appreciate the effort of the Chairman and the Ranking Member, and Senators Murray and Isakson in getting us to the place we are now. And because I have several questions for the

panel, I am only going to briefly state my strong support for this committee's efforts to reauthorize the Workforce Investment Act.

I have three areas that I hope I get a chance to dive into, starting with the long-term unemployed. We have had in our country the highest levels of long-term unemployment since the Great Depression, and I think currently, the figure is about 4.4 million Americans who have been out of work for over 6 months. In Wisconsin, my home State, nearly 35 percent of individuals who are unemployed are considered in this group of long-term unemployed people, and that is a figure of 80,000 in Wisconsin.

Recent studies on the human effects of long-term unemployment paint a really, really grim picture for people in that category: increased mortality rates, increased divorce rates, poorer educational outcomes for children of those who are long-term unemployed. And if that were not enough, employers have demonstrated their aversion to higher job candidates who have been out of work a significant amount of time, making their searches much tougher.

During this upcoming reauthorization, we have the opportunity to make a real impact. I would love to hear from our panel of witnesses what you envision as the best policy changes that we can make to ensure that the upcoming reauthorization accomplishes this mission of really focusing in on the long-term unemployed, the training and services that they need to re-establish themselves in the workforce.

Mr. MITCHELL. I think as we look at long-term unemployment and you combine that with the disability, the factors are compounded.

Senator BALDWIN. Yes.

Mr. MITCHELL. I think the support for programs that provide avenues of what we have been talking about are very valuable. And I think the options that we look at to change the dynamics of that situation is how we move a person forward with progressive employment. So we have to build on successes.

What are ways that we can introduce that individual to the world of work? Maybe it is a job shadow, an informational interview, but you are building some social networks. And then once you experience some success there, maybe you look at some volunteer work or an unpaid job experience, and hopefully those transition into more progressive movements, so you are building on successes.

The programs that support the opportunities for an individual to move forward on that journey are very important.

Mr. PARTRIDGE. I would echo some of those. To your point, many of our career coaching sessions turn to life coaching sessions when there are issues at home about divorce, losing one's home, it very quickly gets off track from getting someone back to work with the other barriers they are facing.

What we find is getting them volunteering and getting them some work experience, because some of the long term unemployed we have in Charlotte, they are very skilled individuals. These are people with bachelor's degrees, master's degrees that are 27 weeks and more. They are not the undereducated necessarily; they are overeducated in some ways and never had to face a challenge like this before.

We have a very active volunteer program, both at Charlotte Works and in the community. We try to plug them in with other nonprofits to buildup their confidence because a lot of folks, when you are going through the interview process, they want to know what you are doing other than looking for a job. It is no longer enough just to be out there searching.

Mr. ROSENBERG. Senator, I think that the only way that an employer like the Temple Health System could be involved in dealing with the long-term unemployed is through the workforce system.

And the example I gave before of the community health workers were 15 long-term unemployed community members who we were able to bring in, but there is no way we would have been able to identify them, or give them the training, or give them the coaching to make them ready for our program. But the combination of what Philadelphia Works was able to do and then running the program, I think, goes a long way to addressing the kind of concerns that you are raising.

Ms. SMITH. I think what you describe is a perfect reason why partnership works together and the collaboration works together, and WIA does that for us. That is one of the reasons why we suggested it needs to be strengthened when they come in the door. And a lot of times, I think we have to identify that they won't come in. If they have been out of work for a while, and unskilled, the embarrassment factor, sometimes they really don't know what to do.

The Department of Labor, Workforce Investment Boards, and adult education working together to help reach out to find them, first of all. And to make them feel comfortable in that environment is important.

The testing that we do, or the local Workforce Investment Board does, is to see where their skill problems are, to see what they really do have. Because a lot of the long-term workers who are now unemployed, really never did have a high school education. The types of jobs they had before did not require it; the types of jobs we have now do. And as a result, we have really got to make sure they get the basic skills, and then the skills toward job training, and then DOL's and workforce boards finding them some jobs.

I think you build the perfect case for why this collaboration needs to be strengthened and can work well, so that we can reach them to find out where they are today, and move down that line to get them where they need to be tomorrow.

Senator BALDWIN. Thank you.

Mr. Chairman, my ambition to get to three questions was clearly out of place, but I hope that I can submit two additional questions for the record.

The CHAIRMAN. Absolutely. Without objection.

I want to publicly, again, thank Senator Enzi for his great leadership on the WIA reauthorization, as chairman of this committee and as Ranking Member, maybe we will be able to finally get this thing through, I say to my good friend.

Senator Enzi.

STATEMENT OF SENATOR ENZI

Senator ENZI. Thank you, Mr. Chairman.

I thank you and the Ranking Member for giving the flexibility to Senator Murray and Senator Isakson to work on this again. It is 8 years out of authorization now, and probably time that we ought to do it. So, yes, I feel like I have been working on it a lifetime, but I think they have been doing some really good work, and I think this hearing will help.

Since time is limited, I will have additional questions for all of you.

But I will start with Mr. Partridge because you mentioned in some cases, there is a need for training vouchers.

Can you tell me a little more about that?

Mr. PARTRIDGE. Under the current law, we use vouchers under the ITA, the Individual Training Account, to get people back to work. But a lot of times, it is a sales job, to get people to go into the high demand areas. We cannot find enough people in advanced manufacturing, energy, IT, healthcare to fill the slots from those that are currently unemployed.

So we are trying to find more innovative approaches in sort of putting cohorts through, group training at the community colleges. But it makes it a little more difficult under current law to enter into those contracts. We have to RFP it out. We don't have a special relationship with our community college like JTPA and past versions of the law allowed for.

We think having some more flexibility in the way we contract that with training would be helpful. We still believe in consumer choice, but a lot of times, consumers come in armed with incorrect information. They read something in "USA Today" that there are jobs in a certain field, and they come in, they tell me they want training.

The worse program ever, "CSI," to come out, more people want to go into criminal investigation than there are jobs out there.

[Laughter.]

And so people don't always come in armed with the correct information. So we need to do a better job arming both the young people and the current jobseekers about where the jobs are, and really focus those efforts in putting our dollars into those areas.

Senator ENZI. And you mentioned machinists and welders, particularly. Is there kind of a stigma against going into those sorts of things?

We are always talking about sending kids to college now, but we need some of the technical workers.

Mr. PARTRIDGE. We do. I think in the early 1970s we, as a Nation, certainly made the choice that college for all was where we were heading, and the guidance counselor of old became the college prep counselor.

And what happened when completion rates at college are 50 percent or less, something is wrong. And so, we are turning off a whole generation of kids to working with their hands, and working with their minds in a way that we stigmatize it. It is dirty work. It is something we don't want to do.

In some places like a Siemens plant that I toured, it is more technical than anyplace I have ever been. There are robots and computers on every corner, and a clean room environment in a lot

of areas, and that is something that I could not even do, and I completed college, and it seemed that would be a lot harder.

I think we need to change the mind set and do a lot more with the K through 12 system to educate the kids and the parents because that is who is driving a lot of the decisions about, "That is not where you want to go."

Senator ENZI. Appreciate that. There is a book called, "The Hidden America: from Coal Miners to Cowboys," the people who get up every morning, get their hands dirty so you have what you need. And it emphasizes, a little bit, some of the technical skills that we are stigmatizing so that we are not winding up with people that can do those.

But we are not winding up with kids in college either. We are winding up with people who just drop out of the system, and then later they figure out that they can't make a living, but they are afraid to go back into those things.

For Mr. Mitchell and Mr. Partridge, on the disabilities, one of the things that I have found is that I know of employers that have jobs that could be done, but they are not sure where to go to find them.

How do we match up the skills of the people with the skills for the jobs? Do you get involved in that? Mr. Mitchell, we will start with you.

Mr. MITCHELL. One of the programs that is helping in Iowa is the Skilled Iowa Initiative, and that has really been led by our Iowa Workforce Development Center. But it is being business-driven by businesses.

In Iowa, we are fortunate, the economy is pretty good, our unemployment rate is pretty low, and we have a mid-skill gap. So very much like we have been discussing, where do you get those workers and how do you do that?

The Skilled Iowa program helps bring up those skill levels and we are doing it collaboratively where we are partnering together with our workforce centers to try to get a common message out to our workers to say, "Here are some needs. How do we upgrade your skills to meet those needs?"

For the person with the disability, we are providing vocational counseling. The hands-on work experiences, so the work emersion. We are getting kids in high school, even now, taking the National Career Readiness Certificate, and they are getting feedback on where those skills are at, and then they can retest that at many different times during their high school and post-secondary career to see if the skills are improving.

And again, it is a way to leverage that with our businesses as well as with our hands-on, customized training type programs.

Mr. PARTRIDGE. I will echo that skill verification is critical. Recruiters from businesses will tell you that they already, when they see a resume, that they know that 60 to 70 percent of that is inflated. That, "Yes, you can read blueprints." Maybe that was 20 years ago you looked at a blueprint in high school and you haven't done it.

CRC and other certifications, the national certification, are the ways that employers verify that the skills they claim they can do on their resume actually are there. And sometimes you don't see

that as much on people's resumes, but that is sort of the trend we are seeing now in Charlotte.

Senator ENZI. Thank you.

If I had more time, I would also ask about the problem with the money going into stovepipes that wind up as something you cannot use in areas that you really need it.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Enzi.

Senator Sanders.

STATEMENT OF SENATOR SANDERS

Senator SANDERS. Mr. Chairman, thanks very much for holding this important hearing. And thank you all for your wonderful testimony.

I am going to ask you, I am going to pick up on the issue of immigration that Senator Alexander raised, but take it in a little bit different direction. And if you are not comfortable answering the question, you do not have to answer the question.

Including those people who have given up looking for work and are working part-time, real unemployment in America is close to 14 percent. It is even higher for young people, people of color, et cetera.

A concern that many people have with regard to the current immigration bill on the floor right now is that the bill proposes to bring in hundreds of thousands of entry-level employees. That means kitchen help, parking lot attendants, waiters, waitresses, people working in McDonald's, et cetera, etc.

In your experience, or in your knowledge in general, what do you think about having young kids in this country who desperately need—I think as Mr. Mitchell mentioned a moment ago—just the beginning entry into the labor market knowing the basic fundamentals of what it means to come to work every day. How do you feel about many of those jobs going to folks from abroad coming in as guest workers?

Mr. Mitchell, or if you are uncomfortable answering that question, you could skip it, but I would appreciate your insight.

Mr. MITCHELL. I think we have found that there are opportunities to build those skills for our young people. And I am open to looking at ways that we can help our youth with disabilities that are citizens of our country to be able to move forward. Businesses have needs and I think if we are going to be partnering with our businesses—

Senator SANDERS. But Dunkin' Donuts, do you think, cannot attract young American kids? Do you think they need people from all over the world?

Mr. MITCHELL. No, I think what we found is that businesses have identified specific skill sets, and they have identified positions that go beyond the entry level positions.

Senator SANDERS. But I am talking specifically about entry level jobs.

Mr. MITCHELL. Right.

Senator SANDERS. Mr. Partridge, is this an issue or not?

Mr. PARTRIDGE. Every time I go out in Charlotte, almost anywhere I see signs saying they need help, whether it is at the local

Starbucks or fast food restaurants. So there is clearly a demand for workers. Now whether our youth—

Senator SANDERS. What do you think when we have 14 percent real unemployment in America? That may not be the case in your town.

Mr. PARTRIDGE. I think a lot of workers look for jobs, at least full-time workers, look for jobs that pay benefits and other things that their family needs. Sometimes entry level jobs don't pay benefits, and that is a deterrent for a lot of people.

Senator SANDERS. Right. Anybody have any concerns about hundreds of thousands of low-wage workers coming in? No? OK.

Let me ask you another point that was raised and that is there is an attitude among young people that we hear all the time that, "The American kids won't do that." I know in Vermont, we have dairy farmers and the truth is that a lot of young kids just do not want to do what their parents and grandparents did.

I worry that if we carry this, "Well, kids don't do this. Kids don't get their hands dirty." Nothing wrong with being a plumber or a carpenter. The last I heard, they make good wages. It is a dignified job.

Are you running into that as a cultural issue for young people in this country? "I just won't do that, even if it pays me a decent wage." Or is the wage issue an impediment or what? What do you think about that?

Ms. Smith, have you run into that or not so much?

Ms. SMITH. Yes and no. I think it is a lack of awareness of what the jobs are and that they are out there.

There are so many new jobs and different jobs on that level that are technical skills. And being a part of the technical college system in Georgia, we run into that all the time where the counselors or the parents have given them a 2- and 4-year education without realizing that the technical colleges are there where they can make just as good a wage, and sometimes better.

I have a son-in-law, who is a cardiothoracic surgeon. He has been at school umpteen years now, that he is still trying to pay for, where a technical college is 2 years. A starting surgeon, someone who graduates from a technical college can make just as much money as a starting surgeon does doing things that help that medical field.

I really think the problem is an awareness and an understanding of all the careers that are out there that are technical education careers that they can get involved in. The revolution to that, to me, is to making sure that the high school counselors and the parents understand the vast number of careers.

There are so many people out there, as you know, who get a 4-year degree and they go to school. They work in a job that they really don't like.

Senator SANDERS. Right.

Ms. SMITH. Where they could have worked in something that they really enjoyed, but they just were not aware at the time it was there. That is another area that I think we have to find a way to handle to make sure that we raise that awareness. But I think there is an interest if they knew.

Senator SANDERS. If I can, Mr. Chairman, point out that one of the other problems that we have in this country is not only just low wages—and wages, in many cases, going down—but many people with college degrees, picking up on Ms. Smith's point, are working not at college-level jobs. All right. That we have God knows how many people who are working at jobs that require a high school degree.

But I thank you all very much. Appreciate you being here.

The CHAIRMAN. Thank you, Senator Sanders.

Senator Franken.

STATEMENT OF SENATOR FRANKEN

Senator FRANKEN. Thank you, Mr. Chairman.

I want to thank Senator Murray and Senator Isakson, and everyone who is working to reauthorize this.

When I travel around Minnesota and I talk to business owners, everywhere I go they tell me that they have jobs they want to fill, but they can't find people to fill them because they can't find workers with the right skills. It is the skills gap that has been referred to today. When unemployment is still high, too high, that's the problem that we really have to solve. And that is why I am very pleased that we are talking about this reauthorization. Minnesota, and many other States, is working to address this problem by bringing businesses, and community colleges, and community technical colleges together.

Based on what I have seen that works, I am going to be introducing a stand-alone legislation to provide funding to help jump start or scale up these partnerships, leveraging private resources to address the skills gap in manufacturing, in healthcare, in IT, and in other fields. I want to give an example.

Hennepin Technical College in Minnesota, local manufacturers joined with Hennepin Tech to form the M-Powered Program, which trains students in manufacturing skills, and these manufacturers lent equipment to Hennepin Tech.

I met with and had a roundtable there, and this was pretty much just right after the crest of the height of the recession, the Great Recession, and they had put this course together. It trained 300, nearly 300 students, and 93 percent of them had permanent jobs. That is a program that is working.

We also held a subcommittee hearing last year, and we had four workforce boards who came in and all the workforce partnerships that they highlighted were exactly the same. They were different fields, but there are these community and technical colleges partnering with a business.

I will ask Mr. Partridge. I have heard from schools of businesses that funding is often a barrier to forming these partnerships or scaling them up.

Are there other issues that we need to address as well?

Mr. PARTRIDGE. I want to make sure that we don't do what we have done in the past when these partnerships are formed. Sometimes we do address issues of a certain company, but maybe not an entire sector. So if you have a larger employer and you are training people to meet that company's needs and not maybe the sector needs.

So barriers sometimes are State dollars that might pay for the equipment. Sometimes to train these people, you need to build a building, you need to put equipment in it. So we need to get creative and innovative about how we pay for these type of programs because these startup costs are the high part of the program.

Senator FRANKEN. Right, and in a number of these examples that I have seen, it is not so much as one local business as a field of healthcare or manufacturing——

Mr. PARTRIDGE. Right.

Senator FRANKEN [continuing]. Or where there is just a glaring skills gap. We have not reauthorized WIA since it was originally passed in 1998. When unemployment is still as high as it is, we have to make sure that workforce programs are working well and working as well as they possibly can. That's why it is important that when we get it through this time, we do it right.

This is for anyone. Imagine that a lot has changed since 1998 in job training and unemployment services. Could you talk about what has changed and how that should inform our reauthorization efforts?

Mr. PARTRIDGE. From our standpoint, the type of people we are seeing come through our system has changed dramatically. The professionals were never entering our system 5 years ago. If you lost a job and you were a college graduate with 5, 10 years work experience, you could quickly get back to work on your own. You did not need the public workforce system to help.

Now all of a sudden, over the past 5 years, we are finding bankers making six figures walk into our doors. And the doors they walk through, we are not obviously appealing a lot of times. A lot of times, they turn around and walk right back out because of the types of programs and services we offer really were not targeted to the masses. They were targeted for niche populations that we had become accustomed to serving.

The population group has changed. We have to serve a more broad audience now with our system and the type of businesses and the type of skill sets they are looking for are really in shortage areas. Right? Before, we were, again, placing certain target populations, so you worked with a small handful of employers. Now you have to work with a broad spectrum of groups of employers in different industries like energy and advanced manufacturing.

But one thing we are going to use a lot more is the OJT, the On-the-Job Training programs. That has become very successful and I hope that program will continue under any reauthorization effort.

Mr. MITCHELL. I might add that one of the positive things that have changed is the advancement of assistive technology and the opportunities to provide supports and accommodations to individuals with disabilities. And the realm of opportunities that that provides to be able to go into a business and provide options and supports to allow individuals to do gainful work and to meet the business need.

Mr. ROSENBERG. I would just make the observation that in the past when we were recruiting for dietary or housekeeping or unit clerks, where you didn't have high-skill set needs, it is very different now, whether it is literacy or the technical skills they are

going to need, and it is difficult for individual employers to deal with that.

The advantage of the workforce system where you have the people at the table understanding what has to be changed in terms of literacy in terms of the technical training, and bringing the scale that we cannot do individually. And that helps us in our recruitment as well.

Senator FRANKEN. Thank you, Mr. Chairman. That last piece, the technical training, is exactly what I am talking about in terms of these community and technical colleges working with businesses.

Thank you.

The CHAIRMAN. Thank you, Senator Franken.

Let me followup on that. I just want to ask all of you, how do you intersect with, and how do you utilize your local community colleges in terms of technical training, skills upgrade, maybe changing a skill set for job opportunities that were not there before, but are there now?

It just seems that when we started the community college system that is kind of what they were supposed to be for. And obviously, they have broadened out.

I just wonder how do you—if you do—utilize your community colleges and what is your working relationship with them?

Ms. SMITH. We absolutely do. In our case in Georgia, we are actually a part of the community college system, the technical college system in Georgia.

Senator Franken talks about Minnesota. Minnesota has a fantastic FastTRAC. They call it FastTRAC program there. We are doing something called Accelerating Opportunity, which is very similar to what they do in Seattle.

Our adult education students, as I mentioned in my remarks, will go to the technical college at the same time they are working on their GED. So when they leave, they have a certificate that makes them work-ready and they also have their GED.

What we found is that there is a strong tie-in. The motivation and support services are there. We can put a student who is an adult education student who needs to get their high school diploma straight into a technical college and they work on a dual enrollment similar to the way high school and colleges work dual enrollment, and we are able to make them work-ready much faster.

The other piece we found with that, when we take an adult education student and put them into the technical college, and they are working on getting that GED and their degree at the same time, when they get ready, if they decide to go to college, they are bypassing learning development. They are bypassing any kind of remediation and going straight into college courses prepared and ready. If they go into the workforce, and the way the partnership works, we only put them through programs where there is a need in the community.

For example, we mentioned welding earlier. If, in fact, we have identified, and in Georgia we have in certain parts that welding is what is needed, then we will try and find students who work on their GED and work on a welding degree at the same time.

In the Savannah area, we have Cessna small aircraft, and so there, if they wish to go into that industry, the local labor force,

and the Workforce Investment Boards, and DOL have identified that that is an area where there is a need, then they can take carpentry, they can work on the GED. And in Savannah, we have already got a partner that is willing to work with us so that once we get them out of school, they have got a job waiting for them, and it works extremely well.

We are very excited about it. We started working on it last year, and it is a very great program. It works for us.

The CHAIRMAN. Mr. Partridge, I am told that you do some interesting things for the community colleges.

Mr. PARTRIDGE. We do. We have a great partnership with Central Piedmont Community College, and I think for the past couple of years, the President has highlighted some of the relationships with Central Piedmont and Siemens.

When Siemens was doing their expansion, they actually went directly to the community college to talk about training needs. And the community college realized that they could help on the training side, but they really could not help on the assessment and the recruitment of workers. So we actually created a customized Web portal to help them screen all applications.

And they had, initially, 750 jobs and had over 10,000 applicants for those jobs. We screened them. We assessed them. The community college then went through and verified their skills. And then once they were hired, they went through and put them through the training program. So it was seamless to the company. In town, they did not really see it. There were two entities that were working night and day together to make sure that we really created that seamless opportunity for the company.

The CHAIRMAN. Very good. I see Senator Casey is here. I know he wanted to engage with some questions.

Senator Casey.

STATEMENT OF SENATOR CASEY

Senator CASEY. Mr. Chairman, thank you very much.

We are grateful for all the witnesses being here. I have to offer an apology to Mr. Rosenberg. I was late, but I guess one way to explain it is I wanted to make sure that you were introduced by the Chairman.

[Laughter.]

So the record will look a lot better in history than just being introduced by me. But I do want to show you an exhibit that is your introduction, that is thorough, and I won't go through it again. I won't reintroduce you, but an impressive resume, which I am sure the record reflects.

But we are grateful you are all here and we are working both with Chairman Harkin and Ranking Member Alexander, and the good work they have done, as well as Senator Isakson and Senator Murray over several years. So there are a number of folks here who have been working on this for a number of years, and we are grateful for that.

I guess I wanted to, Mr. Rosenberg, I will be in big trouble if I don't start with you. I will try not to ignore the others, but as a Pennsylvanian, I want to make sure I start with you. Maybe two

questions and, of course, I think it has application to each of our witnesses.

One is on the question of the employer-partner efforts that have been undertaken over time, and the so-called sectors approach. I am told that in our State, in Pennsylvania since 2005, these industry partnerships have engaged more than 6,300 businesses in 90 partnerships training more than 100,000 workers; an extraordinary number. So even with all the changes we want to make, we should celebrate some success, but if you could tell us a little bit about that.

And then I have a followup question from your testimony regarding the Training Fund learning center, if you can expand upon that, but just first, this kind of sectored approach.

Mr. ROSENBERG. The sector or the business partnership approaches are critical. And I think I probably said this a couple of times, but this idea that if there is a pipeline, if there is an opportunity to leverage a number of employers in a region where you can take advantage of a steady pipeline of jobs, and there are going to be vacancies, and you are going to be able to match up the employees, it certainly makes sense.

With Philadelphia Works, there is a focus on green jobs, for example. Healthcare has obviously been a critical part of our partnerships in the sector approach with Penn, and Jefferson, and Temple at the table, where we can share those kind of opportunities. And I am sure that is replicated throughout the Commonwealth.

But you are absolutely right. It is a critical part and an opportunity to expand in the workforce system.

Senator CASEY. And on the Training Fund?

Mr. ROSENBERG. On the Training Fund—

Senator CASEY. Or a bit more on the Training Fund Learning Center.

Mr. ROSENBERG. Great opportunity, it is an absolute partnership with our workforce and with AFSCME. We are able to send, as I said, some 900 employees through the last 3 years through those programs.

And what it really does is, it gives these employees the opportunity to advance up a career ladder because these are a lot of entry level jobs that that membership is in. And with the Training Fund and the programs there, they have the opportunity to get trained up for different skills, different jobs within the health system.

One of the programs specifically was at Episcopal Hospital and that was an example where we brought in outside funding to help us with that program as well. Again, another good partnership collaboration example of what works.

Senator CASEY. I do not know if any of the other witnesses want to say something about either of those before I move on. Anything?

The effort that has been undertaken in some States, and it is probably not as universally deployed, but layoff aversion programs that are part of the effort here. To be able to kind of get ahead of the problem before someone is in a position of being laid off.

Anyone have any comments about that or any experience with that?

Mr. PARTRIDGE. We do some incumbent worker training as a lay-off aversion strategy. So we work a lot with small, medium manufacturers with lean training, getting their workers up-skilled to be a little more competitive. They have been small grants, \$5,000—\$20,000 range, but they have paid off. Their workers are getting state-of-the-art training that they hope will make them more competitive in the marketplace.

Senator CASEY. Maybe I will just ask this more broadly for the whole panel. I know you have identified strengths and weaknesses and kind of prioritized lists of changes we should make.

But if there is one thing or one element of the existing law that you could point to that is particularly frustrating, detrimental, a major obstacle from you being able to enjoy the full benefits of workforce training, what is the one thing, if you had to change one policy, what would it be? And you may have already answered this, but it does not hurt to repeat ourselves.

Mr. MITCHELL. I had mentioned about our dual customer approach, so I think the involvement of business and the opportunities that we can have to provide the technical assistance, and consultation, and to provide services to businesses for the individuals whom they are working with, is very important. And to have that recognized would be a positive thing.

Senator CASEY. I am out of time, I know, but anybody else?

Mr. PARTRIDGE. I might just add that the workforce system is often called the best kept secret, and after all these years of having us around, that many people still do not know, both from an employer and jobseeker side, what we do or that we are out there when they need us, is a failing of the system. Probably because we have 550-plus workforce boards all with different names, organized differently, has some drawbacks that people sometimes have difficulty finding and accessing our services.

Mr. ROSENBERG. Senator, I would echo the point of the need to market. Let people know what the workforce system can do and how it works, and also to make sure that all of the board members and the employers in the area are absolutely engaged. There has to be an outreach process to tell them what the services are and how it is a win-win situation. And that certainly has worked for Temple.

Ms. SMITH. I would add one additional thing. Sometimes I think the adult educator, the person who needs adult education, who needs a GED or high school diploma, is the forgotten citizen.

As I mentioned in my testimony, they have dropped out for a whole variety of reasons, but that does not mean that they are not intelligent, bright people who have a great deal of potential who could be in the workforce. Making sure that adult education is at the table with Workforce Investment and with the Department of Labor as a recognized entity. They may not be the displaced worker, but they certainly are those who have a great deal of potential to be a strong part of the workforce system, and making sure that that is recognized and acknowledged. And that there is some equity in the bill in terms of how they sit at the table and what they represent would be extremely important to us.

Senator CASEY. Thanks very much.

Thanks, Mr. Chairman.

The CHAIRMAN. I want to thank our witnesses for their testimony and the members of the committee for their questions today. We have gained valuable information about the ways the workforce system can be strengthened through our reauthorization of the Workforce Investment Act.

The Federal role in workforce development is to support our States and local communities in helping our workers, especially those individuals with disabilities, or others who experience barriers to get the skills they need to secure the good jobs that help them succeed and keep our businesses and economy competitive.

As our country continues to rise out of one of the worst recessions in our history, it is more important than ever that we focus our attention on how to modernize our workforce system.

Again, as has been stated, more than a decade has passed since the Workforce Investment Act was authorized. So I am especially encouraged by the bipartisan efforts on our committee to move a bill through the process. I look forward to continuing to work together with my colleagues on this important issue.

Thank you again to our witnesses and the Members of the committee. I especially want to thank our Ranking Member Alexander, Senators Murray and Isakson for their dedication and resolve to get a reauthorization bill done.

I request that the record remain open for 10 days for Members to submit statements and additional questions to the record.

If there is no further business to come before the committee, the committee will stand adjourned.

Thank you all very much.

ADDITIONAL MATERIAL

WORKFORCE STAKEHOLDERS GROUP STATEMENT ON REFORMING JOB TRAINING PROGRAMS IN AMERICA

(Updated March 1, 2013)

PREAMBLE

In the first decade of this millennium, our Nation has faced enormous tragedies, challenges, and changes that have diverted policymakers from giving workforce development and skills attainment the level of priority needed. As a result, a number of key Acts are due or soon due to be reauthorized. These Acts include:

- The Workforce Investment Act (WIA);
- The Carl D. Perkins Career and Technical Education Act;
- The Higher Education Act (HEA);
- The Older Americans Act (OAA);
- The Trade Adjustment Assistance Act (TAA); and
- The Temporary Assistance for Needy Families Program (TANF).

Many of these laws authorize unique and important programs and services to common populations; therefore, the Workforce Stakeholders Group believes that the 113th Congress has a strong opportunity to:

- Create a cohesive and broad workforce system that leverages the unique strengths and resources that numerous systemic components (see list below) bring to the table;
- Remove the systemic barriers that allow people to fall through the cracks and prevent them from reaching their full potential; and
- Improve the productivity of business through the provision of skilled, competitive, and motivated workers.

Components of the broad workforce system include:

- The workforce system/WIA;
- higher education;
- career and technical education;
- adult education;
- veterans' programs;
- law enforcement and corrections;
- the Temporary Assistance to Needy Families program; and
- supportive services such as housing and food assistance.

As our Nation slowly recovers from the worst recession since the Great Depression and unemployment stubbornly hovers at close to 8 percent, millions of people are seeking supports that will help them meet basic needs. Many have turned to safety net programs for assistance with housing, food, transportation, child care, and cash.

In addition to programs that provide support with such basic needs, millions of people are also seeking skill-building and advancement opportunities that will put them on a career path that leads to financial stability and economic security. These include job training, employment services, transitional jobs, vocational rehabilitation, and education (alternative education, adult education, and post-secondary education). Many unemployed, low-wage workers, or people in transitional jobs need access to additional education and training through a post-secondary institution. Some turn to Adult Education programs to gain academic skills that high schools did not provide. Many veterans turn to the Department of Veterans Affairs for benefits and assistance in overcoming their employment challenges. People with disabilities utilize vocational rehabilitation programming for help in addressing their employment challenges. And millions more also turn to the workforce system for help finding a job.

The Workforce Stakeholders Group agrees that systemic improvements could be made to better promote cross-functional program collaboration and systemic integration in order to increase investments in quality services, resources, and training. The group believes that these goals should be achieved by preserving important programs and systems with a track record of success in providing a range of services to specific populations with unique barriers to employment, including veterans; people with disabilities; youth; older workers; people with a criminal background; migrant and seasonal farmworkers; Native Americans; people who are homeless; and women seeking non-traditional employment opportunities, so that they can successfully gain the skills needed to participate in one of the cornerstones of American society—the workforce. Furthermore, the broader workforce system must ensure

that these special populations receive high quality career guidance, education, skill training, supportive services and placement.

More specifically, individuals and organizations that are concerned about workforce development and skills attainment, have been working for a decade to enact many needed improvements through Workforce Investment Act (WIA) reauthorization. Unfortunately, Congress has not passed a bi-partisan WIA reauthorization bill, which has prevented enactment and implementation of important improvements, while leaving the system vulnerable to criticism and budget cuts.

Rather than rehashing old debates that have proven to be unproductive and divisive, the Workforce Stakeholders Group believes we should refocus our attention on the following question:

“What outcomes do we want from our workforce system, and what elements are needed in order to put the system in a position to achieve them in a constantly changing environment?”

The Workforce Stakeholders Group answers that question with the following:

DESIRED GOALS

The Workforce Stakeholders Group believes that Congress should develop a blueprint that would create a comprehensive workforce system that leverages the unique strengths and expertise of its systemic components. Together, this broad workforce system should achieve the following equally important goals.

Serve Employers and Businesses: Businesses are most competitive when they have access to a strong, agile, and skilled workforce. Such a workforce includes workers who are prepared for the jobs that employers seek to fill today, and have the ability to learn and build on those foundational skills in order to perform the jobs of the future. The comprehensive workforce system should connect businesses to workers who have the job skills employers seek, or the ability to learn needed job-specific skills on the job. In addition, the workforce system should work with businesses to increase employment equity, improve job quality and retention, and provide training and educational opportunities to workers to ensure that workers remain current with industry advancements.

Serve People: America's 143 million working people and its 12 million jobseekers represent diverse groups with a variety of needs. The comprehensive workforce system must use a holistic approach to advance people along a continuum that leads to work opportunities, career advancement, and economic and family stability. Depending upon the person, the intensity and length of this journey will vary greatly. The comprehensive workforce system should be prepared to assist people whenever they seek its support.

Contribute to Building Stronger Families and Communities: America's communities have the potential to be the engines of full national economic recovery and growth. Realizing this potential requires investments not only in places, but also in people. The Federal Government makes a number of investments in the physical capital of urban communities, including public housing and transportation development. These initiatives have the potential to pay off not just in terms of improved community resources, but also in terms of job opportunities for local residents. But these opportunities are lost for a large portion of urban residents—low-literacy, low-skilled adults in particular—unless there are high-quality employment and training services that prepare them for the jobs created by Federal investments. A comprehensive workforce system should better coordinate investments we make in local communities with investments we make in the people who live in those communities. The workforce system can help build stronger and more stable communities by connecting workers to and qualifying them for the best possible jobs, and helping businesses find the skilled workers they need.

NEEDED ELEMENTS

The Workforce Stakeholders Group believes that the following mix of elements and attributes is needed in order to achieve the goals outlined above.

Integrated and collaborative: The Workforce Stakeholders Group believes that the comprehensive workforce system should treat people holistically and be collectively held accountable for ensuring that people do not slip through the cracks between each unique component that makes up the broad workforce system. Regardless of a service seeker's entry point into the broad workforce system, its individual systemic components should have the capacity and motivation to ensure that service seekers are connected to additional programs and services that are outside the functional scope of any systemic component. Furthermore, individual components of the broad workforce system should have access to information and data needed to view

service seekers holistically rather than narrowly focusing attention only on the specific symptoms that the component has the functional capacity to address.

With this context, the group believes that the current dialog must shift from *consolidation* to promoting *integration* and *collaboration* among existing resources and programs. The group is concerned that a consolidated block grant would lack the sophistication needed to appropriately direct resources to address unique target populations' needs and challenges. *Integrated* programs, on the other hand, would preserve population-specific resources where they are most needed, and would likely result in cost-savings that could be reinvested in proven workforce development and job training programs to continue to build and sustain the strong and adaptable workforce needed to keep America economically sound and competitive.

The reauthorization of programs such as WIA, CTE, HEA, TANF, and TAA also presents an opportunity to encourage and strengthen *collaborative* partnerships that leverage the infrastructures, expertise, and resources of service providers, businesses and employers, and stakeholders that serve common populations. Such innovative approaches can serve to bridge the very supports and programs administered by multiple Federal agencies.

The current workforce system (WIA) is designed to provide services and training that will quickly prepare consumers to obtain jobs that employers are seeking to fill. Often serving people who are out of work and needing immediate employment, it is frequently engaged in crisis intervention. It is not designed or resourced to help consumers, particularly individuals who are hardest to serve or people who have been placed in jobs, yet need to obtain additional skills and credentials that will help them to advance in their careers. Currently, there are many workforce organizations engaged in successful collaborative partnerships, particularly with educational institutions like community colleges that can often provide training and industry-recognized credentials in career and technical education programs. The workforce system plays a key role in these partnerships because it provides workers with information to navigate their local labor market as well as with tools to be better prepared for jobs.

The Workforce Stakeholders Group believes that consumers could be better served by promoting collaborative partnerships that provide clear bridges between all the systems that serve common populations such as those supported by the U.S. Departments of Labor, Health and Human Services, Education, Veterans Affairs, Justice, Housing and Urban Development, and Agriculture. Furthermore, partnerships that engage local community-based organizations and sector-based partnership in this capacity leverage the additional resources, experience, and infrastructures; allowing these additional resources to supplement Federal resources aimed at common populations.

By rewarding collaborative partnerships that are part of a holistic approach that bridges systems, consumers would be better served than through a program-specific approach that focuses only on the issues that fall within the scope of individual programs.

Accountability: While the comprehensive workforce system should be collaborating and better leveraging one another's scarce resources to achieve the goals outlined above, the Workforce Stakeholders Group recognizes that each systemic component within the comprehensive workforce system has its own specific performance outcomes that must be achieved. To the greatest extent feasible, the group believes that system-specific outcomes should align with and support the ultimate goals of the comprehensive workforce system.

The accountability system for the broad workforce system should:

- Provide data that is essential for efforts to overcome disparities in employment and programmatic outcomes by reporting by sub-population, including at least gender, race, ethnicity, disability and age;
- Ensure that people, regardless of the system they first turn to for help, are successfully engaged and welcomed by the system(s) that is/are best positioned to address individuals' employment challenges.
- Take into account individuals' unique employment challenges in order to ensure that hard-to-serve populations are indeed served, and that services are appropriate and meaningful.
- Account for economic conditions in local labor markets and individuals' characteristics when they enter programs.
- Provide the comprehensive workforce system with the capacity to collectively track individuals' interim successes along their career and educational paths.

Employers indicate that it is difficult to find workers who are qualified to perform the jobs they need to fill in order to maintain productivity. Especially at a time when unemployment is high, it is perplexing that millions of jobs are going unfilled.

The comprehensive broad workforce system should be held accountable for helping to close the skills gap by working with businesses, industry, and employers to ensure that incumbent and future workers are connected to resources that will help them acquire the hard and soft skills employers seek. Policymakers should also recognize the need to invest in and maintain a data management capacity that allows the different systems within the broader workforce system to improve alignment and foster accountability.

Resources: Without sufficient resources, even the best-designed system will fail to produce the desired outcomes that the system is designed to achieve. The Workforce Stakeholders Group believes that Congress should authorize resources based upon what is needed to train and educate the workforce of the 21st century.

Despite Federal disinvestments of more than 30 percent since 2002—with more than \$1 billion in cuts just since 2010—critical employment and training programs stand to lose billions more under current proposals to reduce the Federal deficit. Such cuts are already having an impact: a recent survey of workforce providers found that more than three-quarters expected to reduce training as a result of already reduced funding levels, and nearly half believed they would have to cut back on services for employers seeking skilled workers.

Program	2002 ¹	2013 ²
WIA ³	\$4,801,217,456	\$2,603,315,124
ABE	\$738,907,137	\$594,993,000
CTE	\$1,643,307,607	\$1,123,030,275
ES	\$1,234,405,967	\$700,841,901
TANF	16 billion	28 percent loss of value due to inflation ⁴

¹ All 2002 figures adjusted for inflation.

² As enacted under the current continuing resolution (P.L. 112–175) through March 27, 2013.

³ Represents funding for WIA Title I Adult, Youth, and Dislocated Worker programs.

⁴ As calculated by the Center on Budget and Policy Priorities, <http://www.cbo.org/cms/?fa=view&id=3534>.

Our Nation's economy cannot function without a skilled workforce. According to the Center on Education and the Workforce at the Georgetown Public Policy Institute, by 2020 nearly two out of every three U.S. jobs will require some post-secondary education and training.⁵ Research suggests that the demand for workers with post-secondary education is growing much faster than the supply, and by 2025 the United States will need 20 million more people with a post-secondary degree or credential than our Nation is currently on-track to produce.⁶

America's workers depend on these education and training programs. Last year, more than 9 million individuals received training and related services through the federally supported workforce investment system—an increase of nearly 250 percent in just 2 years. Millions more received training and employment services through youth, career and technical education, adult education, vocational rehabilitation, and veterans' programs that will help them pursue good jobs or further post-secondary education.

Additional funding cuts would shut the door on these hard-working individuals seeking employment, significantly limiting their access to the skills and credentials needed to succeed in today's labor market. It would stifle the ability of U.S. businesses to find the skilled workforce they need to take advantage of new markets and emerging economic opportunities, putting our Nation at a competitive disadvantage at a time when other countries are ramping up their own investments in human capital.

The Workforce Stakeholders Group believes that the steady erosion of funding for the workforce system must be reversed. While concerns about the deficit may create a temptation to cut programs; in the long term, we need to invest in the skills of America's workforce so that more people can develop the market-ready skills to meet the needs of U.S. industries and the larger U.S. economy now and in the future.

Special populations: The group strongly believes that programs that aim to meet the special needs of certain populations must be a high priority, properly resourced, and measured to ensure that special populations have access to quality services that holistically address their unique challenges. Therefore, the needs of special populations must continue to be a priority. A consolidated block grant would

⁵ <http://www9.georgetown.edu/grad/gppi/hpi/cew/pdfs/CTE.FiveWays.FullReport.pdf>, pg. 2.

⁶ <http://www9.georgetown.edu/grad/gppi/hpi/cew/pdfs/undereducatedamerican.pdf>, pg. 10.

lack the sophistication needed to appropriately direct resources to address unique target populations' needs and challenges.

Several programs were created with the intention of ensuring the provision of services to specific populations that are unlikely to be feasible in a general-population service setting. For example, experience informs us that youth are typically better served in the context of a youth-specific program rather than in a general program.

Other programs were created because a national program better serves the target population. For example, migrant and seasonal farmworkers are an extremely mobile population and it is unrealistic for Congress to expect Governors to serve people who only work briefly in their States and then move elsewhere.

As Congress works to create a comprehensive workforce system, the Workforce Stakeholders Group urges Congress to ensure that the system is equipped and able to provide the right services and supports to help people to overcome their unique and personal employment challenges.

Employers and Industry: The U.S. workforce system is often criticized as a sum of disconnected parts, with worker training poorly matched to industry demand, a lack of focus on industries that are the most important to local economies, and duplicative business outreach and workforce training services. A comprehensive workforce system will better engage employers and industry at the local and regional level, and ensure that workers are obtaining the skills and credentials employers are seeking for job openings in local and regional economies.

Sector strategies respond to such criticisms. At the regional labor market level, they are partnerships of employers in one industry that bring together government, education, training, economic development, labor, and community organizations to focus on the workforce needs of their industry. At the State level, they are policies and investments that support the development of local sector partnerships. A growing body of evidence demonstrates their effectiveness for employers and workers.

When employers find effective ways to work together with the public education and training systems—particularly the small and mid-sized firms that are increasingly responsible for U.S. job creation—they can improve their profitability. In a survey of employers participating in sector partnerships in Massachusetts, 41 percent reported reduced turnover; 19 percent reported less rework on the job; 23 percent reported fewer customer complaints; and 100 percent of the companies said that participation in a sector partnership was valuable.⁷

Workers also benefit from involvement in a sector partnership. Navigating the education market to secure the knowledge-based skills required in today's economy is as daunting as navigating the labor market. Thousands of credentials exist, including full degrees, short-term certificates, and professional licenses. Which ones do employers accept? Which education and training programs are flexible enough to allow working adults to complete them and obtain their credential? Public sector programs serving industry and jobseekers through a sector partnership are better able to align the needs of employers with the career paths of workers, and the results for employees are higher wages and better jobs. A 2009 random-assignment evaluation of three sector partnerships showed that worker participants earned significantly more (18 percent more, or \$4,500 over 24 months) than the control group. The reason was that they were more likely to work, worked more consistently, and worked in jobs with higher wages. They also had higher-quality jobs, as measured by benefits such as health insurance, paid vacation, and paid sick leave.⁸

Such outcomes help explain why an estimated 1,000 regional sector partnerships are operating across the country, and more than 25 States are exploring or implementing sector strategies as a way to address industry needs through education and training programs.⁹ The Workforce Stakeholders Group urges Congress to ensure a comprehensive workforce system supports such best-practices to more effectively engage employers and industry.

Industry-Recognized Credentials and Certificates: The Workforce Stakeholders Group believes that stackable, nationally portable, industry-recognized competency-based skills credentials will help connect employers to the workers they seek. In addition, the group believes that the broad workforce system should be positioned to and held accountable for addressing the needs of:

- regional economies and key regional industries;
- employers in key regional industries who need to hire for middle-class jobs or for jobs in pathways to them; and
- employers who want to improve the quality of their jobs.

⁷Cathryn, "BEST Benefits"; Industry Partnerships in Pennsylvania.

⁸http://www.ppv.org/ppv/publications/assets/325_publication.pdf.

⁹<http://www.sectorstrategies.org/library/2010/snapshot-state-sector-activity>.

This will use public resources most effectively and do the most to make businesses competitive while bringing about the most financial stability and economic security.

Labor Market Information: In order to achieve the goals outlined in this statement, the broad workforce system will require quality real-time labor market information that will allow stakeholders to identify growing and/or high-demand occupations in regional labor markets, and key industries that are connected to such growing and high-demand occupations. Furthermore, in order to close the skills gap, information is needed to identify under-served populations and prepare them for regional employment opportunities.

Supportive Services: It is well-known that people who lack stable housing, reliable transportation, access to health care, and child care are less likely to succeed in employment. Yet many people who turn to the workforce system for help face these and other barriers to employment.

Under current law, WIA funds may be used to provide supportive services to people who are participating in core, intensive, training or post-exit services; and are unable to obtain supportive services through other programs that provide such services. Unfortunately, the law creates barriers and disincentives to the provision of supportive services. The Workforce Stakeholders Group believes that Congress should acknowledge that the provision of supportive services is often an important key for many people who seek to find jobs and succeed in the workforce. Congress should ensure that the broad workforce system has the capacity to directly enroll jobseekers in supportive services if they would benefit from them.

Governance and Infrastructure: The Workforce Stakeholders Group understands that it has been difficult to resolve a number of State and local governance and infrastructure issues. The group believes there is an appropriate role for both State and local decisionmakers, and therefore believes that authority should be shared between States and local areas. In addition, the group believes that steps should be made to ensure that decisions made take into account a number of key economic and social attributes, including areas' industries, workers, population demographics, and public and private resources. It is important to recognize, however, that workers live at a local level, businesses employ local workers, and the impact of long-term unemployment are realized in the local community. Therefore, local flexibility, including clear and significant roles for local elected officials and local workforce boards, must be retained to allow the system to adapt to the real needs of real employers and jobseekers.

CONCLUSION

The reauthorization of WIA is an obvious immediate opportunity to make needed improvements that will ensure that our workforce is prepared for the jobs employers need them to perform today and tomorrow. The group believes that wholesale consolidation of key programs, as proposed in House legislation, The SKILLS Act (H.R. 803), would move workforce programming in the wrong direction. Such a one-size-fits-all system risks becoming an underfunded system that lacks the resources and sophistication needed to meet the unique needs of certain individuals who must overcome population-specific employment challenges.

As our Nation is only beginning to emerge from the worst recession since the Great Depression and ongoing global competition is a long-term certainty, the Workforce Stakeholders Group has grave concerns about proposals to dismantle the current workforce system. Such action would only serve to divert attention from providing quality employment services and job training to people who need job placement and supports. Instead, time, attention and resources would be spent on the implementation and rebuilding of a new workforce system. In other words, it is not necessary or cost-effective to tear down the whole barn when it is just the roof that leaks.

As Congress begins again to look at the reauthorization of the Workforce Investment Act, policymakers should keep in mind that WIA programs have played a pivotal role in helping jobseekers and employers rebound from the "Great Recession." The latest quarterly reporting data provided by the Department of Labor indicates that more than eight million jobseekers have utilized WIA formula programs over the past year (DOL, WIA system quarterly reports ending March 31, 2012), a dramatic 291 percent increase over just 4 years ago (DOL, WIA system quarterly report ending March 31, 2008). These most recent reporting data does not include an additional 786,000 jobseekers using targeted WIA programming to help special populations with additional barriers to employment.

The Workforce Stakeholders Group continues to stand ready to work with policymakers to enact policies that will ensure that America's workforce is again the most

skilled, the most competitive, the most productive, and the most adaptive workforce in the world.

ABOUT THE WORKFORCE STAKEHOLDERS GROUP

The Workforce Stakeholders group includes a range of organizations that are engaged in efforts to ensure that people served by the workforce system and programs that support the workforce system:

- Create a pipeline of qualified employees for business and employers;
- Find easy access to the services they need to help them find jobs;
- Have access to supports needed to advance in careers; and
- Receive quality services that help them overcome unique challenges they face.

These organizations represent State and local policymakers and program administrators, advocacy groups, service providers, and technical assistance providers.

- Asian Pacific American Labor Alliance, AFL-CIO & APALA Education Fund;
- Association of Farmworker Opportunity Programs;
- Coalition of Labor Union Women;
- Corporate Voices for Working Families;
- Corporation for a Skilled Workforce;
- Council for Adult and Experiential Learning (CAEL);
- Easter Seals;
- Goodwill Industries International;
- Insight Center for Community Economic Development;
- International Economic Development Council;
- Jobs for the Future;
- Legal Momentum;
- National Alliance for Partnerships in Equity;
- National College Transition Network at World Education;
- National Council of La Raza;
- National Council for Workforce Education;
- National Disability Rights Network;
- National League of Cities;
- National Skills Coalition;
- National Transitional Jobs Network;
- National Youth Employment Coalition;
- National Workforce Association;
- PHI—Quality Care through Quality Jobs;
- Proliteracy;
- Sargent Shriver National Center on Poverty Law;
- Senior Service America;
- The Corps Network;
- United Way Worldwide;
- Wider Opportunities for Women;
- Workforce Learning Strategies;
- Young Invincibles; and
- YouthBuild USA.

RESPONSE BY DAVID MITCHELL TO QUESTIONS OF SENATOR MURRAY, SENATOR BALDWIN, AND SENATOR WHITEHOUSE

SENATOR MURRAY

Question. A question for each of the panelists. Of great concern to me in the last few years have been significant funding cuts to the workforce system, even before sequestration. Obviously, funding under WIA is not enough to meet all of the needs of employers and jobseekers. Let me ask each of you, how do you leverage funding in this challenging fiscal environment and what are the other key funds that you utilize?

Answer. Iowa has multiple efforts occurring to leverage staff and financial resources effectively among our service delivery programs. Iowa Vocational Rehabilitation depends on State appropriations and other third-party matching funds which the Federal Government matches 78.7 percent to 21.3 percent. Federal dollars are allocated to every State for the delivery of vocational rehabilitation services. IVRS is utilizing third party match resources to improve employment outcomes and draw additional Federal dollars. An example of this type of program is a Project Search program working with the Des Moines Public School District. This program provides business work experiences which occur at the work environment on a rotational basis to build work skills and behaviors. Students participating are still in high

school, but all work experiences occur at the business site and are complimented by education to supplement the work experience. This is a jointly funded program between IVRS and the Des Moines School District. We also have seven Transition Alliance Programs which are shared funding between local school districts and IVRS to facilitate improved transition experiences for secondary students with disabilities. These are just two examples of shared funding programs that provide work effectiveness.

Another example of shared funding under WIA is our one-stop centers. These provide collaborative partnerships providing a more seamless system of service delivery while capitalizing on shared building resources to minimize cost duplication. Multiple partners are involved, but in many situations our workforce centers and VR staff are primary partners.

The Department of Labor has provided several grant initiatives to impact employment for individuals with disabilities and Iowa has actively competed to participate in those opportunities. The Employment First initiative, the Disability Employment Initiative and the Iowa Coalition of Integrated Employment (Partnerships in Employment Systems Change Grant through the Administration of Intellectual and Development Disabilities) are examples where collaborative partnerships have occurred allowing for leveraged funding and expansion of services provided as well as individuals being served.

The Skilled Iowa Initiative is another example of a program supported by our Governor encouraging shared resources and work efficiency. The America Job Centers support individuals to participate in the skilled training and certification programs and IVRS supports program involvement through common referrals and access to service programs. These efforts assist in eliminating duplication of efforts and expand capacity to serve additional individuals through shared funding.

Finally, State leaders, including Governor Branstad, appreciate the growing recognition by Congress and the Administration of the value of the WIA 15 percent set-aside holds for jobseekers and businesses. Bicameral, bipartisan support for re-establishing the set-aside for the States is evident. The State of Iowa strongly supports efforts to fully restore the 15 percent set-aside, so State agencies can work together and have the flexibility to tailor initiatives and programs to train workers, meet the unique needs of business and foster innovation.

SENATOR BALDWIN

This question is for any of the witnesses and relates to incumbent working training, or efforts to help folks who currently have jobs get the professional development they need to climb the ladder in their place of employment.

As you know, under WIA, incumbent worker training is only a part of the allowed statewide activities—and not the local activities. Furthermore, it seems that incumbent worker training is not a priority in many areas as it is only an allowable use of State WIA funds, and only 15 percent of State funds can be used for Adult Activities.

I have heard from stakeholders in my home State of Wisconsin that they feel like the current incumbent worker training programs function as more of a reactive force rather than a proactive force. In order to keep and attract high quality employers in our State, we need highly trained workers. On the other side of this same coin, we need to ensure that employers are doing their fair share in training workers to keep up with the changing workplace, as well as contributing to the cost of this ongoing training.

My question is twofold.

Question. First, as we look ahead to this reauthorization process, do you see a need to bring specific set-aside incumbent worker training to the local level? Second, can any of you offer examples from your States or local entities that have done a good job of incorporating incumbent worker training into workforce activities that is fair to employees, employers, and local investment?

Answer. My work is focused on the State Vocational Rehabilitation System and I am not as familiar with the incumbent worker training programs through WIA so I will not attempt to provide comment. Thank you.

SENATOR WHITEHOUSE

Question. We have heard a great deal about the 47 Federal workforce development programs cited by the 2011 Government Accountability Office study. Despite what some of my colleagues say, GAO did not recommend that workforce training programs be eliminated. It recommended that State administrative bureaucracies be consolidated. Reducing administrative overlap would lead to a more efficient system with more resources going to the people who need them. Please indicate where you

believe specific workforce training programs may be appropriate for certain populations such as veterans, Native Americans, youth, ex-offenders, migrant and seasonal farmworkers, people with disabilities, dislocated workers, or other such categories of trainee? Do you think that consolidating State administrative bureaucracies is consistent with the goal of better serving these specific populations?

Answer. In Iowa, Governor Branstad has established four primary goals: (1) 200,000 new jobs (2) 15 percent reduction in government (3) 25 percent increase in family incomes and (4) #1 schools in the Nation. Reducing administrative overlap will create system efficiencies and lead to a more efficient service delivery system. Iowa Vocational Rehabilitation has been actively partnering with our Department of Administrative Services on human resource issues, with our information technology department on effective strategies for system security, and with seven other State department directors establishing a Memorandum of Agreement to strengthen employment services for Iowans with disabilities, improve customer service and break-down artificial barriers. This focuses on collaboration and coordination of career and employment services which occur among the partners and their local offices in support of integrated, community-based employment.

There are numerous examples of coordinated service delivery to minimize duplication and maximize resources and staff capacity. An example is a self-employment program which assists eligible individuals with disabilities in seeking appropriate opportunities for entrepreneurship. Efforts are coordinated among State/Federal agencies such as the Iowa Department for the Blind, Iowa Vocational Rehabilitation and the Department of Veterans Affairs Vocational Rehabilitation and Education Program. Iowa Vocational Rehabilitation is working closely with our America Job Centers in referring individuals that are actively participating in workforce center services. Many individual jobseekers, with significant disabilities, require more intensive services to obtain employment and need assistance beyond the core services offered by the America Job Centers requiring unique and specific disability-related individual services to address their unique combination of skill sets, interests and barriers. Therefore, it is essential that specific workforce training programs are in constant communication and coordination of service delivery methods to ensure efficient use of the resources available.

Reauthorization of the Workforce Investment Act is long overdue and such a reauthorization would provide an opportunity to gain efficiencies through more streamlined reporting requirements across programs and increase flexibilities for State agencies to better leverage limited resources. In a dynamic global economy authorizing legislation must be current and States must have the flexibilities to best meet current demands.

RESPONSE BY STEVEN PARTRIDGE TO QUESTIONS OF SENATOR MURRAY,
SENATOR BALDWIN, AND SENATOR WHITEHOUSE

SENATOR MURRAY

Question 1. Mr. Partridge, we talk a lot here about aligning workforce development, economic development, and education to maximize their impact in regions across the Nation. What is the role of the Workforce Board that is making this happen, and how has your board done this on the local level?

Answer 1. Aligning our educational institutions with local job market realities is critical if we are not only to reduce the drop-out rate, but also ensure America continues to generate enough high-skilled workers to compete in today's global economy. The local workforce boards should be playing a key role in helping educators understand the types of jobs their local communities need filled and the skills required to be successful in those growing occupations (career ladders). The boards should also be working with partners to provide teachers the tools to link curriculum to local, real-world examples. Charlotte Works has created several tools that we are expanding this year, such new, interactive career ladders designed to appeal to young people. Also starting this fall, we will launch a new work-based learning portal to connect local employers to our school system so youth will have even more opportunities to gain real work experience. In addition, we plan to develop a new education program designed to help teachers in the classroom connect lesson plans to local skill needs.

Question 2. Mr. Partridge, one thing we agree on in this committee is the importance of a business-led, locally delivered workforce system. Can you tell me why this structure is important in your area?

Answer 2. Since so much of our core mission is getting jobseekers quickly back to work, the tools and services we provide are often vetted by our board members to ensure they are truly preparing jobseekers to meet sector-wide standards. For

Charlotte Works specifically, we use more than 185 volunteers that actually serve as instructors for our workshops; board members often refer these experts to us. In addition, my board members have high service-level expectations, so they are always pushing to raise the bar on organizational performance and outcomes far in excess of what USDOL would require or track.

Question 3. Mr. Partridge and Mr. Rosenberg, I know that the Workforce Investment Act requires you to have a “dual customer” approach. Can you tell me how your workforce board handles both roles and in particular, how do you work in partnership with targeted industries?

Answer 3. Although we have two distinct customers, we cannot succeed without fully engaging local employers. What we learn from each employer interaction is quickly turned into local labor market intelligence for job-seekers. Helping job-seekers understand sector-focused occupational needs, soft-skill requirements, individual employer culture; or even providing realistic timelines for employers that are hiring are invaluable resources. Our board focuses on several key sectors that align with our local economic development efforts such as advanced manufacturing, energy, financial services, information technology and healthcare. In fact, more than 41 percent of our business service team’s time is spent cultivating and supporting our targeted sectors.

Question 4. Of great concern to me in the last few years have been significant funding cuts to the workforce system, even before sequestration. Obviously, funding under WIA is not enough to meet all of the needs of employers and jobseekers. Let me ask each of you, how do you leverage funding in this challenging fiscal environment and what are the other key funds that you utilize?

Answer 4. Our board of directors shares your concern and has taken several proactive steps to deal with funding challenges. First is the use of our volunteer program. We use more than 185 trained volunteers who are subject matter experts who lead workshops, facilitate job teams and provide coaching to thousands of job-seekers. We calculate that by using volunteers, Charlotte Works saves more than \$200,000 per year. Second is the use of private-sector donations (often in-kind services or products). Last year, we received a \$150,000 software grant from Microsoft Corporation that provided us with software for our 30 remote-access sites located around the Charlotte area. In 2010, Bank of America provided free space for more than 2 years in one of their office towers for use by displaced professionals. Finally, our board has spent the past year studying other creative ways to fund workforce programming including creating a staffing firm targeting our high-growth sectors. Although no decision has been made yet, we continue to look for new ways to grow local resources.

SENATOR BALDWIN

This question is for any of the witnesses and relates to incumbent working training, or efforts to help folks who currently have jobs get the professional development they need to climb the ladder in their place of employment. As you know, under WIA, incumbent worker training is only a part of the allowed statewide activities—and not the local activities. Furthermore, it seems that incumbent worker training is not a priority in many areas as it is only an allowable use of State WIA funds, and only 15 percent of State funds can be used for Adult Activities. I have heard from stakeholders in my home State of Wisconsin that they feel like the current incumbent worker training programs function as more of a reactive force rather than a proactive force. In order to keep and attract high quality employers in our State, we need highly trained workers. On the other side of this same coin, we need to ensure that employers are doing their fair share in training workers to keep up with the changing workplace, as well as contributing to the cost of this ongoing training. My question is twofold.

Question 1. First, as we look ahead to this reauthorization process, do you see a need to bring specific set-aside incumbent worker training to the local level?

Answer 1. I would support using local formula dollars to train incumbent workers.

Question 2. Second, can any of you offer examples from your States or local entities that have done a good job of incorporating incumbent worker training into workforce activities that is fair to employees, employers, and local investment?

This question is for Mr. Partridge, who spoke to data collection/sharing in his written testimony, or any of the witnesses who would like to weigh in.

Answer 2. We have some pretty incredible efforts underway at the local WIBs in my State to assist in offender re-entry technology and career education. Manufacturing can be an area in which a felony conviction record will not hold you back—

and it makes pretty good sense to me to start training offenders while they're serving their time so they can be ready to work when released.

Just one quick example—our Bay Area WIB runs their Computer Integrated Mobile Manufacturing Lab—imagine a large trailer equipped with a training lab and a dozen workstations. They've been able to drive that mobile lab to the Oshkosh prison and Taycheedah women's prison. Because of that successful effort, the Wisconsin Department of Corrections invested \$100,000 in a second mobile lab that was purchased by Lakeshore Technical College. This spring, they had eight inmates at Oshkosh and nine women at Taycheedah earn 6 credits in manufacturing with the LTC lab.

Here's my concern: in preparation for this hearing, my staff contacted the Wisconsin Department of Corrections to collect data on WIA programming and outcomes for the ex-offender subpopulation in Wisconsin. They were told this data does not exist—there's no way to provide an accurate picture of formerly incarcerated individuals who now have jobs.

Question 3. Mr. Partridge, could you or any of the other panelists speak to data collection concerns in WIA? I realize accurate data collection around workforce programming and retention rates is a challenge. But how can we improve the ability of States to capture this information—and thus hopefully improve outcomes?

Answer 3. I share your concern and think any reauthorization efforts need to address the data collection efforts/barriers. Without accurate data, local boards cannot get timely and accurate information to make informed management decisions to expand successful programs or shut down ineffective ones. It also inhibits our efforts to provide policymakers timely data during annual budget discussions. I am happy to work with Senate committee staff to identify specific action language to target Federal and State agencies where data-sharing is lacking.

SENATOR WHITEHOUSE

Question. We have heard a great deal about the 47 Federal workforce development programs cited by the 2011 Government Accountability Office study. Despite what some of my colleagues say, GAO did not recommend that workforce training programs be eliminated. It recommended that State administrative bureaucracies be consolidated. Reducing administrative overlap would lead to a more efficient system with more resources going to the people who need them. Please indicate where you believe specific workforce training programs may be appropriate for certain populations such as veterans, Native Americans, youth, ex-offenders, migrant and seasonal farmworkers, people with disabilities, dislocated workers, or other such categories of trainee? Do you think that consolidating State administrative bureaucracies is consistent with the goal of better serving these specific populations?

Answer. I do not agree with wholesale consolidation, but do feel that consolidation makes sense in specific functional areas such as business outreach. Charlotte Works has been leading an effort to coordinate employer outreach efforts within our area. Almost every workforce program does some outreach to individual employers in order to help place job-seekers or to seek internships/work experiences for at-risk youth. If these efforts were coordinated and truly integrated, then the number of employers served and overall job placements would increase.

RESPONSE BY ALAN N. ROSENBERG TO QUESTIONS OF SENATOR MURRAY,
SENATOR BALDWIN, AND SENATOR WHITEHOUSE

SENATOR MURRAY

Mr. Rosenberg, as a major health care employer, you are well aware of the challenges of developing, finding, and keeping the skilled workers you require.

Question 1a. How do you think about both short- and long-term creation of the workforce you need?

Answer 1a. In the short term, we are focused on developing a career ladder that will help our employees at all levels improve their job skills and income levels. Given that about 60 percent of our employees live in Philadelphia, many in low-income neighborhoods, we feel it is our responsibility to help improve the economic vitality of the communities we serve while providing good jobs and a positive work environment for our employees. In the longer term, as we respond to changes in health care delivery under the Affordable Care Act, we are working to develop a front-line workforce of health workers who can work in the community with patients to help ensure access to care and adherence to hospital discharge instructions and physician directions to help reduce costs and improve population health.

Question 1b. What role do partnerships, including labor-management partnerships, play in improving the strength of your health care workforce?

Answer 1b. The labor-management partnership that we have had with the District Council 1199C Training Fund has been a major component of our workforce strategy for nearly 40 years. Over the past decade we were able to work with the Training Fund to ensure that our front-line workers and community members have access to programs to obtain GEDs, pre-college and pre-nursing/allied health classes, credentialed occupational training, and to pursue college study. Also, as hospitals of the Temple University Health System were re-configured over the past decade, the Training Fund has been a critical part of our efforts to ensure that employees could receive appropriate training to enable them to assume new positions either within our hospitals or elsewhere in Philadelphia's healthcare delivery industry.

Mr. Rosenberg, as an employer you face financial and programmatic challenges constantly. One issue being examined by this committee is how best to make programmatic and investment decisions the right way, rather than by making wholesale and indiscriminant cuts without reference to performance and value. Your thoughts on the right way to make such cuts would be appreciated. So let me ask you:

Question 2a. When you have to make funding decisions, how do you determine what needs to be cut?

Answer 2a. As both an employer and a critical provider of health services in one of America's most vulnerable urban areas, we must balance the effect of reduced reimbursements on hospitals, the return on investments in specific clinical programs, and the impact of reductions on the health and economic integrity of our community.

Question 2b. Do you utilize empirical data and programmatic evaluations before making such decisions?

Answer 2b. Yes.

Mr. Partridge and Mr. Rosenberg, I know that the Workforce Investment Act requires you to have a "dual customer" approach.

Question 3. Can you tell me how your workforce board handles both roles and in particular, how do you work in partnership with targeted industries?

Answer 3. As a member of the Philadelphia Works board, the local workforce investment board, I have seen tremendous progress in how the workforce system serves both jobseekers and employers. We understand that employers drive the workforce system, based on their needs for job-ready and skilled workers. This guides how we invest WIA training funds in particular.

- For example, using data from Philadelphia's economic development agencies, online job openings and other sources, we have identified advanced manufacturing and healthcare as among the industry clusters in which we invest WIA on-the-job training and out-of-school youth funds.

- We also partner with targeted industries by staffing and supporting six industry sector-based partnerships that bring employers together to identify common training and skill needs for both incumbents and new workers.

- Large employers like Amerihealth/Caritas have partnered with our one-stop career centers to create customized pre-hire workshops and screening processes to prepare jobseekers for one of three specific jobs. They have hired 63 jobseekers in the past 2 years as a result. Now we are creating "Jobs Compacts" with employers who agree to work with Philadelphia's one-stop system to hire for key entry-level positions.

- In advanced manufacturing, employers have identified the need for new talent pipelines. In response, we have funded Career and Technical Academies to create summer internships, which can turn into year-round internships to introduce and prepare young people for skilled positions.

Of great concern to me in the last few years have been significant funding cuts to the workforce system, even before sequestration. Obviously, funding under WIA is not enough to meet all of the needs of employers and jobseekers.

Question 4. Let me ask each of you, how do you leverage funding in this challenging fiscal environment and what are the other key funds that you utilize?

Answer 4. It has been increasingly difficult to provide services with reduced funding and unprecedented demand. Wherever possible, Philadelphia Works leverages additional funds, but they are often also Federal funds that have been reduced as well. Leveraged funding can never make up for the Federal cuts and sequestration. For youth workforce development, we leverage Federal TANF and Health and Human Services funds, along with private foundation grants. Private employers pro-

vide significant funding for our summer jobs program. For adults we leverage funds by aligning our workforce readiness services with the community college Federal TAACCCT grant that provides free training for in-demand occupations, Federal National Emergency Grant funds for training our large displaced population who lost their jobs after the recession, limited State funds together with National Fund for Workforce Solutions grants for managing industry partnerships and funding incumbent worker training. Other Federal dollars support our work like H1B funds made available through innovation projects, Pell grants, Community Development Block Grant funding and other workforce dollars made available for ex-offender re-entry, veterans, and the homeless.

SENATOR BALDWIN

This question is for any of the witnesses and relates to incumbent working training, or efforts to help folks who currently have jobs get the professional development they need to climb the ladder in their place of employment.

As you know, under WIA, incumbent worker training is only a part of the allowed statewide activities—and not the local activities. Furthermore, it seems that incumbent worker training is not a priority in many areas as it is only an allowable use of State WIA funds, and only 15 percent of State funds can be used for Adult Activities.

I have heard from stakeholders in my home State of Wisconsin that they feel like the current incumbent worker training programs function as more of a reactive force rather than a proactive force. In order to keep and attract high quality employers in our State, we need highly trained workers. On the other side of this same coin, we need to ensure that employers are doing their fair share in training workers to keep up with the changing workplace, as well as contributing to the cost of this ongoing training.

My question is twofold.

Question 1. First, as we look ahead to this reauthorization process, do you see a need to bring specific set-aside incumbent worker training to the local level?

Answer 1. Yes, we do see a need for a set-aside for incumbent worker training at the local level, as long as it expands rather than reduces funds available for dislocated workers and adults. A set-aside would provide an ongoing source of funding, rather than relying on a State waiver system or annual State appropriations. It would allow us to expand our incumbent worker training for small- and medium-sized employers who need extra help to upgrade skills for their incumbent workers, often leading to promotions so they can then hire new workers from the local one-stop system to fill those vacated entry-level positions. Incumbent worker training also allows the workforce system to establish positive relationships with companies who then choose to use the local workforce system to hire new employees. Companies including Computer Components, Aker, PTR Baler, Global Packaging and Hyundai Rotem now use the one-stop system as a first source for hiring because the workforce system helped them with incumbent worker training first.

Question 2. Second, can any of you offer examples from your States or local entities that have done a good job of incorporating incumbent worker training into workforce activities that is fair to employees, employers, and local investment?

Answer 2. At the regional level, Philadelphia Works has worked with Boeing to provide incumbent worker training through sector-based partnership funds, to upskill and promote workers, then backfill those positions by hiring through one-stop centers. This practice created 22 new jobs. In another instance, we used workforce funds to re-train Hyundai Rotem workers to prevent an impending layoff when a contract for electric-powered trains ended and a diesel-powered train contract began.

SENATOR WHITEHOUSE

Question. We have heard a great deal about the 47 Federal workforce development programs cited by the 2011 Government Accountability Office study. Despite what some of my colleagues say, GAO did not recommend that workforce training programs be eliminated. It recommended that State administrative bureaucracies be consolidated. Reducing administrative overlap would lead to a more efficient system with more resources going to the people who need them. Please indicate where you believe specific workforce training programs may be appropriate for certain populations such as veterans, Native Americans, youth, ex-offenders, migrant and seasonal farmworkers, people with disabilities, dislocated workers, or other such categories of trainee? Do you think that consolidating State administrative bureaucracies is consistent with the goal of better serving these specific populations?

Answer. While as an employer in Philadelphia's healthcare industry, I do not have sufficient knowledge of the structure of the State administrative bureaucracy to offer an opinion on whether or how it should be streamlined, as a Board member of Philadelphia Works my observation is that the current system appears to generally serve targeted groups well, with staff specializing in the particular needs of each group. It also promotes cooperation and prevents unnecessary competition for funding.

RESPONSE BY BEVERLY E. SMITH TO QUESTIONS OF SENATOR MURRAY,
SENATOR BALDWIN, AND SENATOR WHITEHOUSE

SENATOR MURRAY

Question 1. Ms. Smith, a major focus of our bill is helping develop strong career pathways for jobseekers. What sort of role does adult education play in this effort in Georgia and what should we be doing at the Federal level to help accelerate this effort?

Answer 1. Georgia is an Accelerating Opportunity (AO) State and has been involved in developing career pathways for our adult education students for some time. In fact, we have made it a requirement that all of our local adult education programs have "transitions coordinators" on staff to ensure that all of our students (regardless of educational level when they begin with us) are aware that there are career and college options for them once they receive their GED and, in some cases, while they are still in the process of getting that core credential. We have had great success with the program and find this group of students to be highly motivated. They excel in the classroom so well that they tend to bypass developmental education (remedial) college courses scoring well enough on entrance exams to go directly into first year college level classes.

In regard to Federal support, changes in the "ability to benefit" guideline to allow students without a GED to be dually enrolled in adult education classes and college classes would be of great help to these students for whom it has been nationally acknowledged have a track record of success in college and careers. Because Georgia citizens cannot enroll in college in Georgia until they have attained their GED, our students do not qualify for any Federal aid (i.e., the Pell grant). With the change in the guidelines for "ability to benefit" they cannot receive financial aid. We scramble to find donors who will help pay their college tuition when they are dually enrolled and still working to complete their GED.

Ms. Smith, both in 2011 and in this Congress we are examining the use of cross title performance measures in our bill to provide a better sense of how WIA programs are assisting people in need.

Question 2. How should adult education outcomes be measured? Is academic progression enough or should we also be looking to other outcomes as well?

Answer 2. First, I applaud the cross title measures. Since 1998, adult education has had job attainment/retention, transition to post-secondary, and educational gains as performance measures. High school completion or equivalent is a significant benchmark in itself and should be counted as such. However, title I adult programs only had job placement—not educational gains as a measure of success. As a result there was little incentive for title I to collaborate with title II except on job placement.

The most important connection with the workforce unit is for them to send their clients for appropriate training and to provide for wrap-around services. The services we can provide for adults without GED together can be game changers for the unemployed and the under-employed. Both academic progression and completion of GED should, at a minimum, be two of the outcomes for Adult Education.

Second, the adult education State directors as a group supported the provisions in the 2012 Senate bill regarding cross title performance measures. I copied the recommendation below from the document we sent to your staff last week:

- (V) the percentage and number of program participants who, during a program year—
 - (aa) are in an education or training program that leads to a recognized post-secondary credential, including a registered apprenticeship or on-the-job training program, a regular secondary school diploma or its recognized equivalent, or unsubsidized employment; and
 - (bb) are achieving measurable basic skill gains toward such a credential or employment.

Our concern is that the least-educated, most-in-need adults not be neglected by focusing on high-demand jobs and transition to post-secondary. For upper level stu-

dents, we absolutely want to ensure they transition to post-secondary, receive certifications and qualify for high-demand jobs. However, we have so many adults who need to improve their foundation skills to qualify for either.

Third, be assured, that even on the lowest levels of learning, we can infuse careers into our curriculum in order to prepare these adults for an on-ramp to a career pathway. We do this by the following:

- Approaching reading, math, English and writing skills in contexts of the high-demand jobs in the service area,
- Integrating work readiness skills (soft skills—work ethics, problem solving, critical thinking, etc.,) into our learning plans, and,
- Integrating career awareness, exploration and planning.

We will teach math and root words and prefixes anyway; why not teach them in the context of the high-demand jobs in the local service area.

Question 3. You also mention that the rest of the workforce system should be equally accountable. Can you talk about that a bit more?

Answer 3. As I mentioned above, Congress can stimulate collaboration between titles with some of the same cross-title performance measures. If we are all accountable for the same measures in areas where we should have mutual goals, we need to work and be rewarded as a partnership.

Ensuring the enrollment of the unemployed who do not have a high school diploma or its equivalency in our federally funded adult education programs should be a mutual goal. Our adult education programs should be the “go-to” for basics skills training. In addition, entering and retaining employment should also continue as mutual goals. Academic preparation and teacher effectiveness, not job placement, is our core business . . . but it is the area of expertise of our title I partner. For example, Adult Education’s role in the partnership is to prepare adults academically to obtain a high school equivalency credential; to prepare them to be college- and career-ready; and to transition them to our workforce partners whose roles include job placement and enrollment in workforce training and post-secondary programs.

One of our greatest concerns is that, upon success is reaching goal attainment, the current law gives States the ability to make a decision about how the incentive award is spent rather than a requirement that the funds either be awarded to support a joint project or be equally divided among workforce development and adult education. In some cases, where States received an incentive award, the entire incentive award went to workforce development while adult education, whose funds continue to dwindle, received none of the award they work so hard to win. The ability for one partner (between workforce development and adult education) to not share in a mutually earned award should not be an option; especially since the Office of Vocational and Adult Education (OVAE) is the sole contributor for the current incentive award program.

In regard to incentive awards, and because not all measures are the same, another option is that each partner be held accountable for reaching their goal and be eligible to receive an incentive award from dollars set aside by their agency.

Question 4. Of great concern to me in the last few years have been significant funding cuts to the workforce system, even before sequestration. Obviously, funding under WIA is not enough to meet all of the needs of employers and jobseekers. Let me ask each of you, how do you leverage funding in this challenging fiscal environment and what are the other key funds that you utilize?

Answer 4. I have the same concern and we have tried to be creative in finding additional dollars to support our program. For example, we have local programs called Certified Literate Community Program (CLCP) who are local non-profits that sponsor family literacy programs as well as provide support services, teachers and volunteer tutoring for our students. We also utilize local foundations and corporate sponsors (like Dollar General) who provide grants to many of our local sub-recipient providers. While these local donors are helpful and provide us with additional resources, we are woefully underfunded to meet the needs of the 1.2 million citizens in Georgia who do not have a high school education. As a result we can only serve about 70,000 students each year.

Question 5. Ms. Smith, one concern some of us have had is that we don’t have enough research into adult education and literacy issues and solutions. We have been considering ways to develop a broader range of programmatic expertise and best practices in adult literacy programming. Do you believe such a repository of information would be of assistance to the adult literacy community? And what specifically would be of value to you and other States?

Answer 5. Obviously more applied research into adult education and literacy issues and solutions would be helpful to States. A repository of best practices in program administration and classroom/online instruction would be great for the field. We need the information based upon what really works given the large number of part-time teachers. We need academic rather than theoretical research.

Adult education suffered greatly with (1) the loss of our research center at the National Center for the Study of Adult Learning and Literacy (NCSALL) and (2) the National Institute for Literacy (NIFL). The Institute of Educational Sciences (IES), as the research arm of the U.S. Department of Education, has adult education in its charge but rarely do they fund more than one project. As a result we are a complex education system with no research.

Your draft has provisions for a new national institute which is a move in the right direction. Last year the adult education State directors proposed the addition of a research function to such a national institute. I think such an institute with a research function would fill the void that you have identified. As a member of the executive committee for the National Council of State Directors of Adult Education I would be happy to direct you to that proposal.

SENATOR BALDWIN

This question is for any of the witnesses and relates to incumbent working training, or efforts to help folks who currently have jobs get the professional development they need to climb the ladder in their place of employment.

As you know, under WIA, incumbent worker training is only a part of the allowed statewide activities—and not the local activities. Furthermore, it seems that incumbent worker training is not a priority in many areas as it is only an allowable use of State WIA funds, and only 15 percent of State funds can be used for Adult Activities.

I have heard from stakeholders in my home State of Wisconsin that they feel like the current incumbent worker training programs function as more of a reactive force rather than a proactive force. In order to keep and attract high quality employers in our State, we need highly trained workers. On the other side of this same coin, we need to ensure that employers are doing their fair share in training workers to keep up with the changing workplace, as well as contributing to the cost of this ongoing training.

My question is twofold:

Question. First, as we look ahead to this reauthorization process, do you see a need to bring specific set-aside incumbent worker training to the local level?

Second, can any of you offer examples from your States or local entities that have done a good job of incorporating incumbent worker training into workforce activities that is fair to employees, employers, and local investment?

Answer. In the 1990s, my colleagues tell me adult education supported hundreds of “workplace education” programs for incumbent workers. As computers and hydraulics moved into the workplace replacing the “lift and put” jobs, employers wanted to retain valuable, loyal employees by upgrading their skills with programs in their plants. They often contracted with adult education programs to provide those services.

Many of these employees were high school graduates but had, for example, a 1978 education that did not qualify them for the new workplace. In 2013, that is still the case.

Around 2000, the Office of Vocational and Adult Education put a provision in their reporting system that was a deterrent for States and local programs to provide workplace education programs. There was a conflict between their accountability measures and the short-term job-related education inherent in workplace education programs.

Finally, let me hasten to say that my colleagues and I are opposed to set-asides. One of the tenants of the 1998 WIA and the move to performance measures was for the Congress to limit set-asides and let the States identify and prioritize their own needs. There is so little funding for adult education and there are any number of special interest groups that want a set-aside for their population that once we open that door, we would be inundated.

SENATOR WHITEHOUSE

We have heard a great deal about the 47 Federal workforce development programs cited by the 2011 Government Accountability Office study. Despite what some of my colleagues say, GAO did not recommend that workforce training programs be eliminated. It recommended that State administrative bureaucracies be

consolidated. Reducing administrative overlap would lead to a more efficient system with more resources going to the people who need them.

Question. Please indicate where you believe specific workforce training programs may be appropriate for certain populations such as veterans, Native Americans, youth, ex-offenders, migrant and seasonal farmworkers, people with disabilities, dislocated workers, or other such categories of trainee?

Do you think that consolidating State administrative bureaucracies is consistent with the goal of better serving these specific populations?

Answer. First, please do not judge us by other WIA programs. Adult Education programs typically out-perform other WIA programs in meeting performance measures even though OVAE raises our standards every year with no increase in funding.

While Adult Education's priority is to teach under-educated and under-prepared adults by improving math, reading, English and writing skills, we also contextualize our curriculum to include basic skills required for high-demand jobs in the local service areas. Generally speaking, specific workforce training for the population mentioned in your question falls under the purview of State WIBs. That being said, adult education is more than ready to provide basic skills training for any population to ensure their success in specific work skills training programs. In addition we are ready and able to dually enroll them in our Accelerating Opportunity initiative so that they get a high school equivalency credential and college certificates in preparation for employment high demand at the same time.

Governors have made these decisions to best serve their States. The Governors have placed adult education State office in State departments of education in 27 States, in post-secondary/community colleges in 15 States, and in departments of labor in 8 States. States know their needs and their governance structure varies. I would recommend leaving it to the Governors to decide.

[Whereupon, at 4:10 p.m., the hearing was adjourned.]

